

Electronic Benefit Transfer Project

County Readiness Guide



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Health and Human Services Data Center
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1 Introduction

IN THIS SECTION:

This section describes the benefits of EBT and provides an overview of the organization and purpose of this County Readiness Guide.

Electronic Benefit Transfer (EBT) is the automated delivery, redemption, and reconciliation of the Food Stamp Program (FSP) and cash program benefits. It provides clients electronic access to food stamp and cash benefits through the use of EBT cards at point-of-sale (POS) devices and automated teller machines (ATMs). The EBT system will replace the current paper-based food coupon and warrant benefit issuance methods employed in the State of California for the distribution of the California Department of Social Services (CDSS) program benefits. Counties have the option to use EBT for cash programs. Once implemented EBT will become, in effect, a statewide benefit issuance system.

The driving force behind the EBT initiative is the federal welfare reform legislation, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). This legislation mandates replacement of the paper-based FSP benefit distribution process with EBT technology.

Section 825 of PRWORA, "Encouragement of Electronic Benefit Transfer Systems," requires all state agencies to implement an EBT system no later than October 1, 2002. Federal regulations surrounding this law made provisions for the possibility of fiscal penalties to be imposed on states for failure to comply with the deadline. The State of California will not meet the October 2002 deadline and submitted a waiver request to the federal government.

CDSS and the Health and Human Services Data Center (HHSDC) are partnering with California counties to implement an EBT system as mandated by welfare reform legislation. The state contracted with Citicorp Electronic Financial Services, Inc. (CEFS) to design, develop, and implement California's EBT system. CEFS has primary contractual responsibility to ensure the system is successfully implemented.

1.1 Benefits of EBT

In addition to meeting legislative mandates, there are several reasons why statewide implementation of EBT is beneficial for California. The goals of EBT, as stated in California law, are to reduce the cost of delivering benefits to clients, to ensure all systems within California are compatible, and to afford public social services clients the opportunity to better and more securely manage their financial affairs.

As EBT was implemented across the country, it has proven to be a “win-win” solution for all stakeholders. The administrative efficiencies that will be realized by EBT implementation will enable government to better manage and account for the billions of dollars in federal, state, and county funds that are issued to eligible clients annually. For the first time, the state and counties will know the status of all issued benefits from the point the county determines the client eligible to the point the benefits are spent and the retailers and ATM owners are reimbursed.

The following lists summarize additional reasons for, and the benefits of, EBT implementation in California:

1.1.1 Benefits to State Government

- Provides adherence to all applicable federal and state laws, regulations, and policies.
- Improves efficiency of benefit delivery processes and efficient management of programs.
- Ensures benefit issuance and redemption is fully auditable at a detailed level.
- Provides for a benefit-issuance infrastructure that may be shared across multiple benefit programs.
- Maintains the privacy of privileged client information.

1.1.2 Benefits to County Governments

- Improves client service, as issuance of benefits is timely, manageable, secure, and reduces errors.
- Eliminates food stamp coupon management by the counties or their designated contractors.
- Eliminates the warrant management process for California Work Opportunity and Responsibility to Kids (CalWORKs) and other cash program benefits.
- Improves efficiency of benefit delivery process and efficiency of program management.
- Improves the ability to detect, track, and litigate fraudulent benefit use by clients.
- Maintains privacy of privileged client information.

1.1.3 Benefits to the Federal Government

- Eliminates the cost for food coupon printing, shipping, monitoring, auditing, and destruction.
- Modernizes benefit delivery and affords better management of the redemption side of programs.
- Eliminates the need to convert food stamp benefits to cash where a purchase requires change back. This ensures 100 percent of benefits issued will be used

to purchase eligible food items, thus enhancing the mission and purpose of the food stamp program.

- Reduces federal cost for benefit delivery.
- Improves federal cash management. The federal liability is more tightly managed with automation of the letter of credit and the fact that for the first time the federal government knows the status of every penny of outstanding benefits issued.
- Improves the ability to detect, track, and litigate trafficking of FSP benefits by retailers.

1.1.4 Benefits to Clients

- Improves service delivery to clients by reducing the stigma of using food stamps and the inconvenience of cashing welfare checks. The benefit redemption process does not draw attention to the shopper's status as a welfare client.
- Increases the security of benefit delivery to clients as the benefits are electronically deposited in the client's EBT account rather than being distributed through the use of paper documents such as warrants or coupons.
- Provides clients with a more reliable system for the redemption of benefits using mainstream commercial access at a broad range of access points.
- Eliminates the need to wait in long lines at food stamp redemption centers.
- Reduces the incidence of lost and stolen benefits, or fraudulent access to benefits.
- Exposes the client population to commercial financial services through the use of debit-card technology. This compliments welfare reform efforts to promote independence and places the client in the economic mainstream.
- Encourages financial accountability, as clients will have ready access to remaining benefit balances.

1.1.5 Benefits to Retailers

- Increases the speed and efficiency of transactions at checkout lanes.
- Reduces retailers' overhead costs related to handling food stamps.
- Provides for prompt and accurate settlement of transactions.
- Eliminates the need for making separate food stamp "change", managing coupons in the cash drawer, and completing the federal forms that must accompany redeemed coupons.

1.1.6 Benefits to Financial Institutions

- Eliminates processing costs associated with warrants and food stamp coupons.
- Expands use and acceptance of electronic payment systems.
- Eliminates problems associated with serving the "unbanked" population.

1.1.7 Benefits to Taxpayers

- Reduces food stamp fraud by eliminating the food stamp coupon as a negotiable instrument.
- Increases assurance that public assistance benefits are being used appropriately.
- Improves the government's ability to detect fraud and misuse of program benefits.
- Reduces the cost of benefit issuance.

1.2 County Readiness Guide

The purpose of the County Readiness Guide is to introduce the scope and complexities of the changes required for implementation of EBT and to provide a basic understanding of the activities and decisions counties will undertake or be involved in.

The implementation of EBT in California will require a broad range of changes for the state, counties, clients, retailers, and other stakeholders. Because of the broad scope of the impact of these changes, it is essential that the implementation effort be a partnership between the county, the state, and CEFS to ensure all potential impacts have been identified and evaluated.

1.3 Purpose

The purpose of the County Readiness Guide is to introduce the scope and complexities of the changes required for implementation of EBT and to provide a basic understanding of the activities and decisions the counties will undertake or in which the counties will be involved. This guide will afford the county insight into the tasks to be accomplished and decisions that must be made to successfully implement EBT. However, this guide is not meant to be a stand-alone blueprint for readiness or implementation activities. This guide is meant to introduce the tasks, activities and responsibilities that will be undertaken, in partnership with the State EBT Project Team and CEFS, during the county readiness phase. The state contracted with CEFS to develop a comprehensive workplan to define the tasks and activities necessary to manage the California EBT Project. That workplan will include a county-level workplan for each county. The county workplan will provide a comprehensive list of tasks and activities for each county, and detail the responsible party and the timing for each task. This guide does not supplant that workplan, and is not presented as recommendation to begin activities in advance of the dates that will be reflected in the workplan. Rather, the guide is presented as an informational tool to assist the counties in understanding the scope of the effort ahead and the impacts and implications of that effort for the county.

1.4 County Readiness Guide Organization

The County Readiness Guide is presented in topical sections to provide the reader with a general understanding of EBT, as well as an overview of the history and status of the California EBT Project and the state's implementation strategy and plans. This guide provides a comprehensive look at the EBT Project and the responsibilities of all involved parties. Because some readers of this guide may only read the sections that apply to his or her specific area of responsibility, there is some duplication of information in the sections. This is done to ensure each section is as complete and thorough as possible.

Section One – Introduces the EBT Project and the organization and purpose of the County Readiness Guide.

Section Two – Describes the evolution of EBT nationwide and the California EBT Project.

Section Three – Introduces the project's implementation approach including descriptions of the various project phases. The section also details the project's implementation strategy and provides a preliminary implementation schedule.

Section Four – Describes specific activities the counties will undertake during the county readiness phase.

Section Five – Contains a brief overview of EBT functionality and system components, including a high-level description of the equipment that will be utilized to perform EBT processes.

Section Six – Details the roles and responsibilities of the parties involved in the implementation of EBT. This section identifies the responsibilities of CEFS, the state, and the counties.

Section Seven – Provides a high-level description of the one-time and ongoing costs associated with the implementation of EBT.

Section Eight – Describes the various county options and decisions that will need to be made prior to implementation of EBT in each county.

Section Nine – Describes the county business processes that may be impacted by EBT including benefit issuance, benefit reconciliation, client informing, ongoing training, and report availability.

Section Ten – Provides a high-level summary listing of the tasks and activities that the county will undertake during the county readiness phase.

Appendices – Includes the reference documents that provide additional background information.

2 Evolution and Status of EBT

IN THIS SECTION:

This section chronicles the evolution of EBT around the nation and describes the current status of EBT in California.

- Nationwide EBT status
- California counties currently using EBT
- The California EBT Project

The application of debit-card technology to public assistance programs has been well tested and represents a proven solution. The following sections provide a background on the evolution and current status of EBT nationally and in California.

2.1 *Nationwide Evolution of EBT*

The United States Department of Agriculture (USDA) Food and Nutrition Service's (FNS) first experiment with EBT was in Reading, Pennsylvania in 1984. The project was operationally successful but was cost prohibitive as it operated through a closed system (dedicated only to EBT) rather than utilizing the existing commercial electronic funds transfer (EFT) infrastructure. Two FNS pilots were undertaken in 1988 and proved to be operationally successful and cost effective as both took advantage of the existing commercial EFT infrastructure. These pilots were in Ramsey County, Minnesota and Albuquerque, New Mexico. Maryland was the first state to implement EBT statewide in April 1993. Several important lessons were learned from these early EBT pilots:

- Cost effectiveness depends upon the integration of EBT with the existing commercial infrastructure (the networks used to process credit and debit-card transactions).
- Reliability of the system is the key to acceptance both from the client and the retailer perspective.
- Uniform operating rules are necessary to clarify roles and responsibilities of commercial participants (banks, retailers, third-party processors).
- Interoperability (use of the EBT card and benefits in states other than the issuing state) is necessary, especially in the case of neighboring states.

A federal EBT Steering Committee was created in 1992, and in 1994 a report was issued with recommendations that would become the blueprint for the national EBT program. These recommendations included the idea of multi-state coalitions to promote

regional systems, acknowledgement of the need for national EBT operating rules, identification of the need for interoperability among states and support for the utilization of the commercial infrastructure to assist in cost effectiveness.

The first multi-state coalition was founded in 1994, and an EBT Council was established in 1995 as a federal, state, and commercial partnership to guide the implementation of EBT across the nation. In 1996 the EBT Council formally adopted the first set of nationwide EBT operating rules called the Quest[®] Operating Rules. These rules enable EBT systems across the country to handle transactions in a standard fashion.

2.1.1 Current Status of Nationwide EBT

Evaluation of early programs showed EBT to be a success, having achieved the objectives of cost effectiveness, improved client service, improved program integrity, and improved financial management.

States are steadily bringing new EBT projects on line. As of January 2001, 41 states, the District of Columbia, and Puerto Rico are operational on EBT, with most of them utilizing EBT for both food stamp and cash benefits. Seven additional states are in the process of procuring or implementing EBT. Several states are already on their second EBT contract; two have changed contractors; and Montana and Texas have elected to manage their own systems. California has the largest caseload of the states not yet implemented or in the process of implementing EBT.

2.2 Evolution of California EBT

In August 1997, California enacted Assembly Bill (AB) 1542, which provided authority to proceed with the EBT project. The law mandates the delivery of food stamp benefits via EBT and provides each county with the option to issue certain cash benefits via EBT. The law also created an EBT Advisory Committee (EBT Committee), chaired by the HHSDC Director, to oversee the system's procurement, development and implementation.

2.2.1 Current California County EBT Projects

Three counties in California are already using EBT for a portion of their benefit issuance activities. San Bernardino County and San Diego County implemented EBT for food stamp benefit issuance in 1998 under a state demonstration project. They will not be included in the current statewide effort until the expiration of their current EBT contracts. Sacramento County implemented EBT for General Assistance (GA) payments in 1998, but will be included in the statewide implementation for food stamps and possibly cash benefits.

2.2.2 California EBT Challenges

While EBT is proven technology, California implementation has a number of potential factors that present some risk:

- Benefit distribution impacts more than one million California households that depend upon public assistance programs for subsistence benefits. Approximately 600,000 California households receive food stamps and 500,000 receive cash benefits.
- Food stamp benefits authorized to clients total about \$124 million per month. Cash benefits total about \$308 million per month. Together, this amounts to approximately \$5.2 billion per year.
- Benefits are issued by each of the 58 county welfare departments (CWDs) in approximately 230 offices. Statewide, the benefit distribution process impacts more than 17,000 county and state workers.
- Approximately 17,000 grocers and other merchants are authorized by FNS to accept food stamp benefits in California.
- Each county in California administers its own welfare department, as opposed to the single statewide department found in most other states. CEFS is expected to coordinate and interface with 56 participating counties in implementing and operating EBT. The EBT system must physically interface with 19 different data centers and exchange data with seven eligibility processing systems.
- EBT will be implemented concurrently with the two remaining Statewide Automated Welfare System (SAWS) development and implementation projects; WCDS and C-IV. These factors create a significant coordination effort and strain on county resources. The result is an extremely complex project that depends largely on the willing and energetic support of the 56 participating counties.
- Software modifications are required for each eligibility system to interface with the EBT system. The EBT Project Team will provide technical advice, training, and support to county information technology (IT) organizations as necessary. Advanced planning and business process reengineering is needed in all participating counties. The EBT Project Team led workgroups to identify and understand the issues, developed best practices, and will work directly with each of the counties in implementing EBT.

2.2.3 California EBT Project

CDSS is the EBT Project Sponsor, and as such, provides direction on policy issues and is responsible for statewide financial reconciliation. HHSDC is responsible for the project management, oversight of county implementation, and contract management of the EBT Project.

EBT will result in a long overdue modernization of the benefit delivery side of social program administration. EBT is much more than an administrative change for government. Because the food stamp program is dependent upon food retailers, and because the cash programs are dependent upon banks and retailers dispensing cash to clients, EBT directly impacts numerous stakeholders beyond the state, the counties, and their clients.

The state spent a great deal of time working with various county workgroups and stakeholders, as well as studying EBT projects in other states, in order to develop the state's comprehensive set of requirements contained in the Invitation to Partner (ITP). HHSDC and CDSS will continue their close working association with these stakeholders throughout the design, development, and implementation phases of the EBT Project.

California's EBT solution leverages commercial EFT technology and does not require the development of unproven technology. Rather it is the application of EFT technology that has been successfully applied across the country to electronically deliver food stamp and cash benefits to public assistance clients.

The ITP was released to potential bidders in August 1999. The procurement process resulted in a contract with CEFS, a highly experienced EBT service provider, for the design, development, implementation and operation of an EBT system for California.

The state's approach to the EBT Project was to engage a single, highly-qualified and experienced contractor to provide the full range of technology and services necessary to implement and operate EBT in California. This included the technical development of an EBT system, as well as implementation services to the state, counties, retailers, and financial institutions. The state is looking to CEFS to provide comprehensive project management services throughout the entire lifecycle of the project as necessary to ensure a successful implementation of EBT in California.

Even though the state procured services based on a proven software system, a number of modifications will be required to fully satisfy the needs of California. The project approach to development is to require CEFS to lead multiple joint application design (JAD) sessions with both state and representative county participation. CEFS is required to complete a detailed system design document that will incorporate all design considerations posed and agreed upon during the JAD sessions. This document will then become the basis for the system that will be developed and implemented by CEFS.

The conversion to the new system in the pilot counties, Alameda and Yolo, began in Fall of 2001 with the customers in those counties converted and utilizing EBT cards in the Summer of 2002. Five more counties have begun the readiness phase of implementation with the balance of the counties engaging sometime within the next 2 years.

3 Statewide Implementation Approach

IN THIS SECTION:

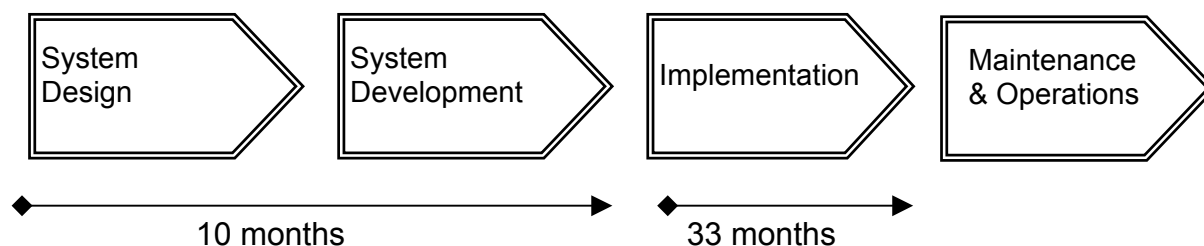
This section will help the county understand the state's approach to implementing EBT in California, as well as the resources that will be provided to help the county accomplish its EBT implementation tasks.

- Project implementation phases
- Regional implementation organization and resources
- County implementation phases
- Preliminary implementation schedule

3.1 EBT System Development Lifecycle

The statewide implementation of EBT requires the coordinated effort of CEFS, the state, the counties and the stakeholders that will impact or be impacted by the implementation such as clients, retailers, and banks. It is important to understand that the bulk of the effort required to design, develop, and implement EBT contractually rests with CEFS.

The EBT Project consists of four major phases:



During the system design phase, CEFS will validate all EBT system requirements and prepare the detailed design for the EBT system, including the required eligibility system interfaces. During the system development phase, CEFS will develop and test the EBT system and standard interfaces. The SAWS consortia and counties will begin development and testing of the eligibility system interfaces during the system development phase. During the implementation phase, eligibility system interfaces will be certified, and CEFS and counties will plan, install, and implement EBT according to the statewide implementation schedule.

System design and development is anticipated to take ten months from the initiation of the statewide EBT contract. Alameda and Yolo Counties began implementation activities in the Fall of 2001 with expected completion in the Summer of 2002. Statewide implementation will commence in January 2002 with completion approximately 27 months from initiation.

3.1.1 System Design Phase

The system design phase begins with the award of the EBT contract and ends when the system has been fully designed and is ready for coding and testing. CEFS will not be conducting a full system design effort, as they will be modifying an existing EBT platform to accommodate unique California requirements. Design of the system will be completed within five months after contract award. During this time period CEFS will conduct JAD sessions with state, consortia and county representatives to validate the business requirements and develop the detailed system design. Standard interface requirements and file layouts will also be validated and documented during this phase.

3.1.2 System Development Phase

The development phase begins approximately six months after contract award and ends when the system is ready for deployment in the designated counties. Development of the system will be completed within ten months after contract award. During the development phase, CEFS will code and test the system software, develop many key deliverables such as user training curriculum and client training materials, and perform acceptance testing. Some development activities will take place concurrently with system design activities. Development and testing of individual county/consortia eligibility system interfaces by the county and/or consortia will also occur during the system development phase.

3.1.3 Implementation Phase

The implementation phase (which includes sub-phases identified as readiness and planning/installation and Go LIVE) begins with the deployment of the system in the pilot county and ends with the completion of implementation and case conversion in the last county scheduled to implement. During the implementation phase county-specific implementation workplans will be developed. Each implementation plan will include county specific change management efforts for transitioning from the current benefit issuance processes to EBT, retailer and county equipment installation plans, user and client training plans, a plan to transfer client demographic and benefit information to the EBT system, and a conversion plan for card and Personal Identification Number (PIN) issuance. During this phase, interfaces between the eligibility system and the EBT system will also be implemented in order to set up accounts on the EBT system. (Additional information detailing interface specifications can be found in the Interface Guide.) Some implementation activities will take place concurrently with system design and development activities.

3.2 Implementation Strategy

The implementation strategy planned for California EBT was developed to afford California the best opportunity to maximize success and manage risks. The strategy is based upon the following key considerations:

- The implementation strategy is modeled after successful EBT implementations in other states and California county EBT projects, and the lessons learned from each implementation.
- Best practices and lessons learned from previous California system (i.e., SAWS) implementations and in managing the California-specific environment.
- Consideration of the complexity and risks identified in California.
- Input from workgroups representing all primary stakeholders impacted by EBT.
- Input from the EBT industry through the draft proposal process.

Recognizing the size and complexity of the statewide implementation of EBT in California, an implementation approach was developed that divides implementation into manageable pieces while maintaining an emphasis on rapid rollout to 56 California counties. The proposed implementation approach provides:

- Geographic coordination of implementations.
- Coordination with SAWS eligibility system implementations.
- Development, testing, and certification of SAWS eligibility system interfaces to EBT.
- Support of county implementation readiness and planning activities.

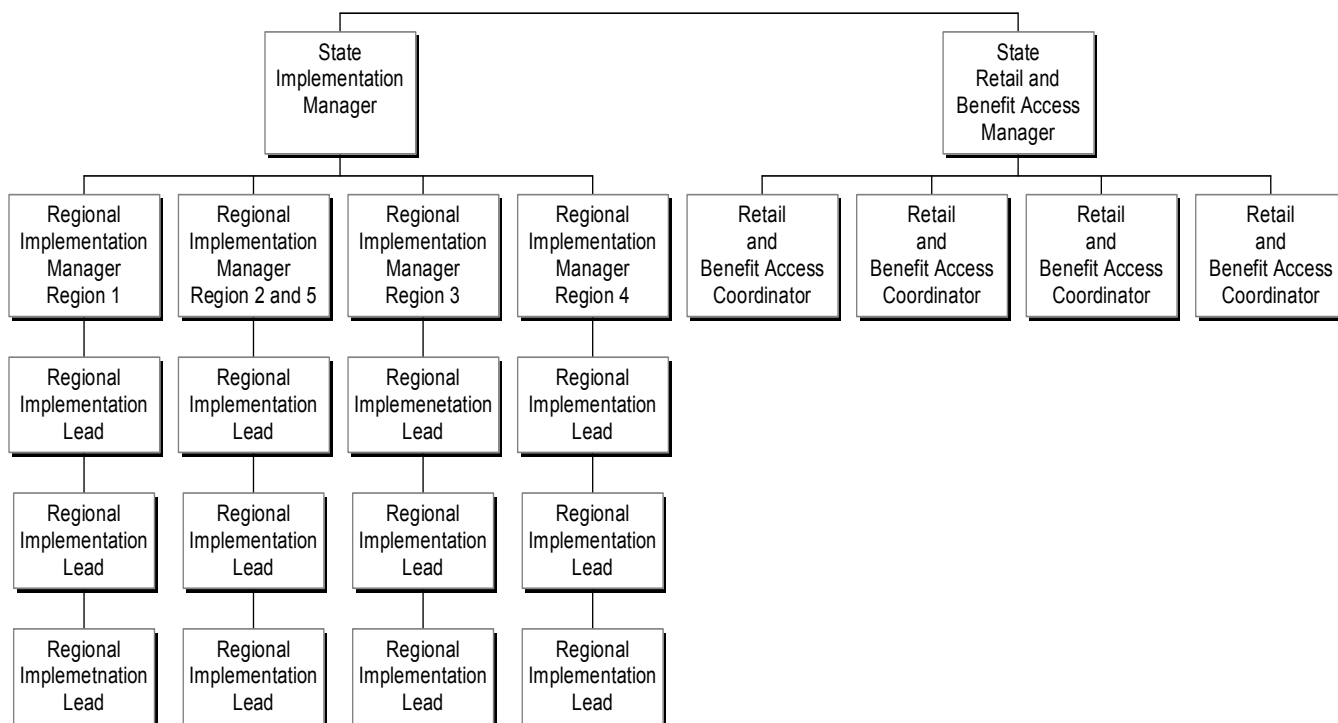
The Regional Implementation Team members will have two primary areas of responsibility: monitoring CEFS performance at the local level and providing oversight and support to each county.

The following section describes the regional organization of counties and the statewide implementation schedule.

3.2.1 Regional Organization of Counties

The state's EBT implementation will be organized based on regional grouping of counties and the implementation schedules of counties in each region. The 56 counties will be organized into five regions. These implementation regions provide for geographic coordination of implementation activities in neighboring counties and for the allocation and scheduling of state and CEFS resources. The following chart shows the structure of the State Regional Implementation Teams.

State Regional Implementation Team Organization

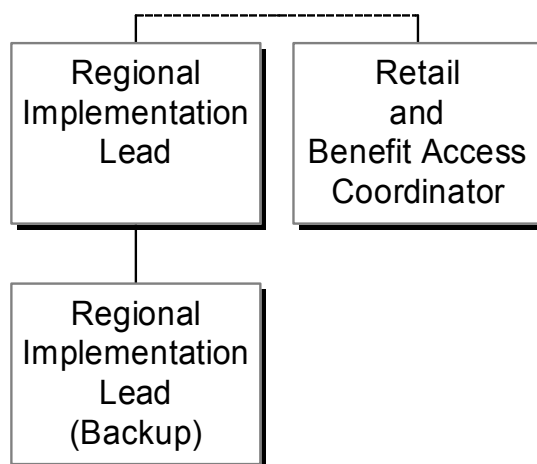


The state has configured the support teams to facilitate the regional implementation approach. There is a State Implementation Manager and a State Retail and Benefit Access Manager to manage the resources available to support the county-by-county implementation. The Regional Manager's assign resources based on the implementation scheduled of the counties within their region. The Retail and Benefit Access Manager will assign Retail and Benefit Access Coordinator(s) to provide the guidance necessary to review, modify and deliver clients in each county access to their benefits.

In addition, to the state regional resources, CEFS will assign a Regional Implementation Manager to each region who will be supported by other regionally-based implementation resources, as necessary. The roles and responsibilities of the state and contractor regional teams are described in Section 6 of this guide.

Facilitation of the implementation process provides for on-site support in the counties. At the direction of the State Implementation and Retail and Benefit Access Manager, a Regional Implementation Lead and a Retail and Benefit Access Coordinator will be assigned to provide on-site support in the county. Other team members will join these individuals as required to support implementation activities. The Regional Teams will oversee all aspects of CEFS performance of the EBT implementation in the county, and will oversee and support county efforts.

Regional Implementation Team Organization On-site Support



The regional assignment of counties is displayed on the following map and summarized below.

EBT Implementation Regions



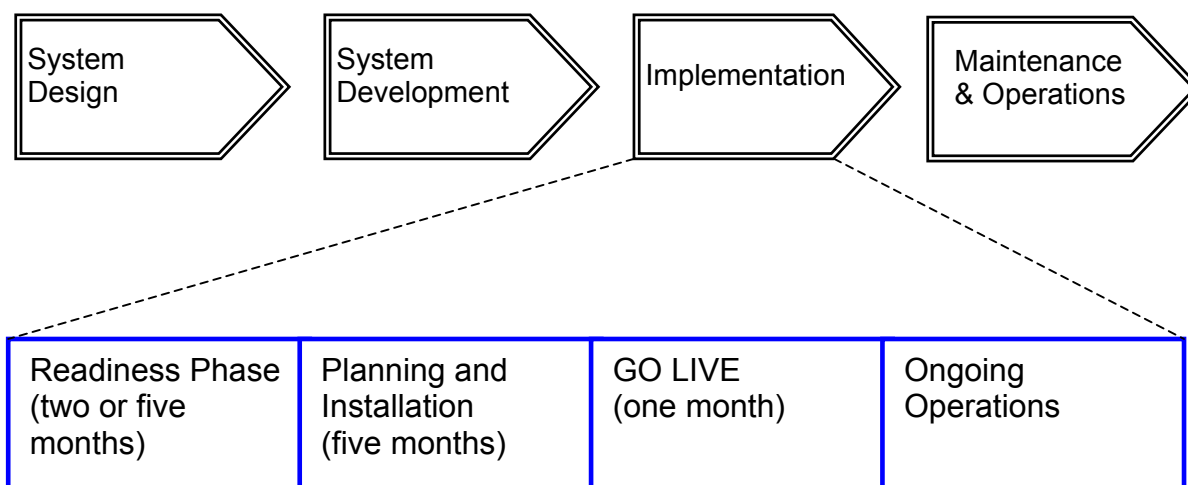
Implementation Regions Summary:

- **Region 1** Los Angeles County (*Approximately 35 district offices*)
- **Region 2** Northern California Counties (*20 counties*)
Interim Statewide Automated Welfare System (ISAWS)
Counties: Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Yuba
- **Region 3** Central California Counties (*20 counties*)
ISAWS Counties: Alpine, Amador, Calaveras, El Dorado, Inyo, Kings, Madera, Mariposa, Mono, Monterey, San Benito, San Joaquin, Tuolumne
Welfare Case Data System (WCDS) Counties: Solano, Sonoma, Fresno, Placer, Sacramento, Tulare, Yolo
Consortium IV (C-IV) Counties: Merced, Stanislaus
- **Region 4** Southern California Counties (*7 counties*)
ISAWS Counties: Imperial, Kern
WCDS Counties: Orange, San Luis Obispo, Santa Barbara, Ventura
C-IV Counties: Riverside
- **Region 5** Central California Coastal Counties (*8 counties*)
WCDS Counties: Alameda, Contra Costa, San Francisco, San Mateo, Santa Cruz, Santa Clara

3.3 County-Specific Implementation Phases

EBT implementation in each county will be conducted in four phases that are described in more detail in the following subsections:

- County Readiness
- County Planning and Installation
- County GO LIVE
- Ongoing Operations



3.3.1 County Readiness Phase

The objective of the readiness phase is to ensure counties are prepared to successfully complete planning and installation activities within the allotted timeframes. The length of the readiness phase varies depending on whether a county is on an 8-month or 11-month schedule. During the readiness phase, the state Regional Implementation Team will provide onsite assistance to the counties in preparing for deployment of the system in the county. The following decisions and activities will be encountered during the readiness phase:

- Selecting and organizing the county implementation team.
- Setting county priorities.
- Selecting county options.
- Locating facilities for CEFS and Regional Implementation Team members.
- Locating facilities for staff and client training.
- Identifying and modifying impacted county business processes.
- Establishing county-specific EBT policies and procedures.
- Identifying, contacting, and communicating with stakeholders.

3.3.2 County Planning and Installation Phase

The objective of the planning and installation phase is for the county to make and implement all operational, technical, and logistical decisions necessary to ensure efficient conversion to EBT and ongoing benefit issuance, and for CEFS to complete all required equipment installation, conversion testing, interface testing, and staff training. The planning and installation phase in each county will begin five months prior to the EBT “go-live” date in the county. County planning and installation-phase activities will include the following:

- Developing procedures for card issuance and PIN selection.
- Developing procedures for benefit conversion.
- Developing procedures for benefit reconciliation and cash settlement processing.
- Acquiring facilities for conversion and training activities.
- Planning and coordinating staff, retailer and client training.
- Developing procedures for contingency processing.
- Identifying and readying sites for EBT equipment installation.
- Installing EBT administrative and retailer equipment.
- County-specific case conversion.
- Converting and reconciling all appropriate benefit records to the EBT system.
- Issuing cards and PINs to clients
- Training client and other cardholders
- Training county staff
- Submission of initial demographics conversion file
- Submission of initial benefit issuance file

During this planning and installation phase, the CEFS Implementation Team has the primary on-site presence in the implementing counties with the Regional Implementation Team members available as required. Additional on-site support is provided by the Regional Implementation Team in counties using the 8-month schedules.

3.3.3 County GO LIVE Phase

The activities of the county implementation phase are:

- Implementing ongoing issuance procedures.
- Settling and reconciling benefits through the EBT system.

The county implementation phase in each county will be for a period of no longer than one month, except for Los Angeles County, which will be allowed a longer period of time. The county implementation phase is the formal adoption and use of the plans, layouts, and changes defined during the planning and installation phase, and includes the live use of installed EBT hardware and software to issue benefits via the system.

During the county implementation phase, the CEFS team will implement EBT in the county according to the county's chosen methodologies. The Regional Implementation Team will provide assistance and oversight.

3.3.4 Ongoing Operations Phase

Ongoing operations are the final phase of implementation and occur once cases are converted. Ongoing operations are the continuing use and maintenance of the EBT system and operational procedures necessary to issue benefits using the system for converted cases and new applicants. At this point all impacted benefits should be converted to the system and staff should be utilizing the new benefit issuance and reconciliation procedures.

The Regional Implementation Team will no longer be onsite in the county as this phase begins. The county will operate independently issuing new and replacement cards and PINs, and providing EBT training to new cardholders. The county will be responsible for issuing and reconciling all new and ongoing benefits through the EBT system, performing cash settlement activities, processing aged benefits, reviewing and reconciling reports from the system, and training new staff in appropriate systems operations and functionality.

3.4 Statewide Implementation Schedule

The following table shows the expected Readiness, Planning and Installation and GO LIVE Dates for each county.

| Region | County Name (In order of implementation Start Date) As of January 20, 2003 | Readiness Start | Planning & Installation Start | GO LIVE Date |
|--------|---|--------------------|-------------------------------------|-----------------|
| 5 | Alameda Pilot | 09/2001 | 02/2002 | 08/2002 |
| 3 | Yolo Pilot | 10/2001 | 02/2002 | 08/2002 |
| 1 | Los Angeles Interface Pilot District | 01/2002 | 09/2002 | 02/2003 |
| 5 | Santa Clara | 01/2002 | 07/2002 | 12/2002 |
| 5 | Santa Cruz | 01/2002 | 07/2002 | 12/2002 |
| 5 | Sonoma | 01/2002 | 07/2002 | 12/2002 |
| 5 | Contra Costa | 01/2002 | 07/2002 | 12/2002 |
| 3 | Solano | 01/2002 | 07/2002 | 12/2002 |
| 5 | San Francisco | 05/2002 | 09/2002 | 03/2003 |
| 5 | San Mateo | 05/2002 | 09/2002 | 03/2003 |

| Region | County Name (In order of implementation Start Date) As of January 20, 2003 | Readiness Start | Planning & Installation Start | GO LIVE Date |
|--------|---|--------------------|-------------------------------------|-----------------|
| 4 | San Luis Obispo | 05/2002 | 09/2002 | 03/2003 |
| 4 | Santa Barbara | 05/2002 | 09/2002 | 03/2003 |
| 4 | Orange | 05/2002 | 09/2002 | 03/2003 |
| 4 | Ventura | 05/2002 | 09/2002 | 03/2003 |
| 3 | Merced | 07/2002 | 11/2002 | 04/2003 |
| 3 | Stanislaus | 07/2002 | 11/2002 | 04/2003 |
| 4 | Riverside | 08/2002 | 12/2002 | 05/2003 |
| 3 | Fresno | 05/2002 | 09/2002 | 06/2003 |
| 3 | Tulare | 09/2002 | 01/2003 | 06/2003 |
| 3 | San Joaquin | 09/2002 | 01/2003 | 06/2003 |
| 1 | Los Angeles | N/A | 02/2003 | 08/2003 |
| 4 | Imperial | 11/2002 | 03/2003 | 08/2003 |
| 4 | Kern | 11/2002 | 03/2003 | 08/2003 |
| 2 | Marin | 11/2002 | 03/2003 | 08/2003 |
| 2 | Napa | 11/2002 | 03/2003 | 08/2003 |
| 2 | Nevada | 12/2002 | 04/2003 | 09/2003 |
| 2 | Sutter | 12/2002 | 04/2003 | 09/2003 |
| 2 | Del Norte | 2/2002 | 04/2003 | 09/2003 |
| 2 | Humboldt | 12/2002 | 04/2003 | 09/2003 |
| 3 | Kings | 01/2003 | 05/2003 | 10/2003 |
| 3 | Madera | 01/2003 | 05/2003 | 10/2003 |
| 3 | Inyo | 03/2003 | 05/2003 | 10/2003 |
| 3 | Mono | 03/2003 | 05/2003 | 10/2004 |
| 3 | Monterey | 02/2003 | 06/2003 | 11/2003 |
| 3 | Sacramento | 02/2003 | 06/2003 | 11/2003 |
| 4 | San Benito | 04/2003 | 06/2003 | 11/2003 |
| 2 | Tehama | 04/2003 | 06/2003 | 11/2003 |

| Region | County Name (In order of implementation Start Date) As of January 20, 2003 | Readiness Start | Planning & Installation Start | GO LIVE Date |
|--------|---|--------------------|-------------------------------------|-----------------|
| 2 | Colusa | 04/2003 | 06/2003 | 11/2003 |
| 2 | Glenn | 04/2003 | 06/2003 | 11/2003 |
| 2 | Siskiyou | 07/2003 | 09/2003 | 02/2004 |
| 2 | Yuba | 05/2003 | 09/2003 | 02/2004 |
| 2 | Butte | 05/2003 | 09/2003 | 02/2004 |
| 2 | Shasta | 05/2003 | 09/2003 | 02/2004 |
| 3 | Amador | 09/2003 | 11/2003 | 04/2004 |
| 3 | El Dorado | 07/2003 | 11/2003 | 04/2004 |
| 2 | Trinity | 09/2003 | 09/2003 | 04/2004 |
| 3 | Mariposa | 10/2003 | 12/2003 | 05/2004 |
| 3 | Alpine | 10/2003 | 12/2003 | 05/2004 |
| 2 | Lassen | 11/2003 | 01/2004 | 06/2004 |
| 2 | Modoc | 11/2003 | 01/2004 | 06/2004 |
| 2 | Plumas | 11/2003 | 01/2004 | 06/2004 |
| 2 | Sierra | 11/2003 | 01/2004 | 06/2004 |
| 2 | Lake | 10/2003 | 02/2004 | 07/2004 |
| 2 | Mendocino | 10/2003 | 02/2004 | 07/2004 |
| 3 | Calaveras | 12/2003 | 02/2004 | 07/2004 |
| 3 | Tuolumne | 02/2004 | 04/2004 | 09/2004 |
| 3 | Placer | 02/2004 | 04/2004 | 09/2004 |

4 County Readiness Preparation

IN THIS SECTION:

This section describes the activities that the county will be performing during the readiness phase.

- Readiness training
- Hiring state-funded EBT staff
- Organizing county implementation teams
- Locating facilities to support implementation staff

The primary focus of the county readiness phase of implementation is for the EBT Regional Implementation Team to inform counties about the decisions that must be made to implement EBT and to assist them through the decision making process for decisions that are crucial to the successful implementation of EBT in the county. County readiness is the discussion and resolution of the decisions that drive county planning and installation in order to ultimately implement EBT in the county. Another important goal of county readiness is for the counties to become more knowledgeable about EBT system processes and functionality and to become more familiar with the state's planned implementation methodology.

Activities that will be undertaken during the county readiness phase include such things as organizing and training county implementation teams; setting county priorities; selecting county options; locating facilities for staff and client training; locating facilities for state and CEFS regional implementation staff; and, identifying and modifying impacted business processes. Projects like EBT require organizations and their staff to change the way they conduct their day-to-day business. It is important to recognize the impacts of these potential changes early on and develop a methodology to manage these changes for the successful implementation of a project. The Regional Implementation Team will lead the counties in the county readiness phase and will be assisted by CEFS staff as needed.

4.1 Readiness Training/Workshop

The Regional Implementation Team will conduct a Readiness Training Workshop during the first month of readiness for counties on an 8-month schedule and the second month of the readiness phase for counties on an 11-month schedule. The purpose of this training is to equip counties with the knowledge and materials necessary to identify the issues and decision points that must be considered prior to the start of the planning and installation phase of EBT implementation. The readiness training provides an in-depth

discussion of the activities and decisions that counties must complete during the five-month county readiness phase. Some of the major topic areas that will be discussed during readiness training are:

- An overview of system functionality.
- Statewide implementation strategy.
- Project and county schedules and timelines.
- State, CEFS, and county staffing.
- Roles and responsibilities.
- Stakeholder identification and communications.
- County options and decision points.
- County business process changes

Readiness training will position the counties to undertake the effort required to identify, evaluate, select, and document all necessary implementation options. These options include such things as conversion methodologies, conversion site locations, ongoing card issuance options, and issuance and equipment locations.

4.2 County Project Team Staffing

As stated earlier in this document, CEFS will work closely with each county to implement the EBT system. While CEFS is responsible for implementation, and the state's EBT Project Team provides leadership for the statewide effort, the county has a key role in ensuring a successful outcome at the county level. The county's active involvement is essential. The following sections describe the organization structures that the county will provide to the project.

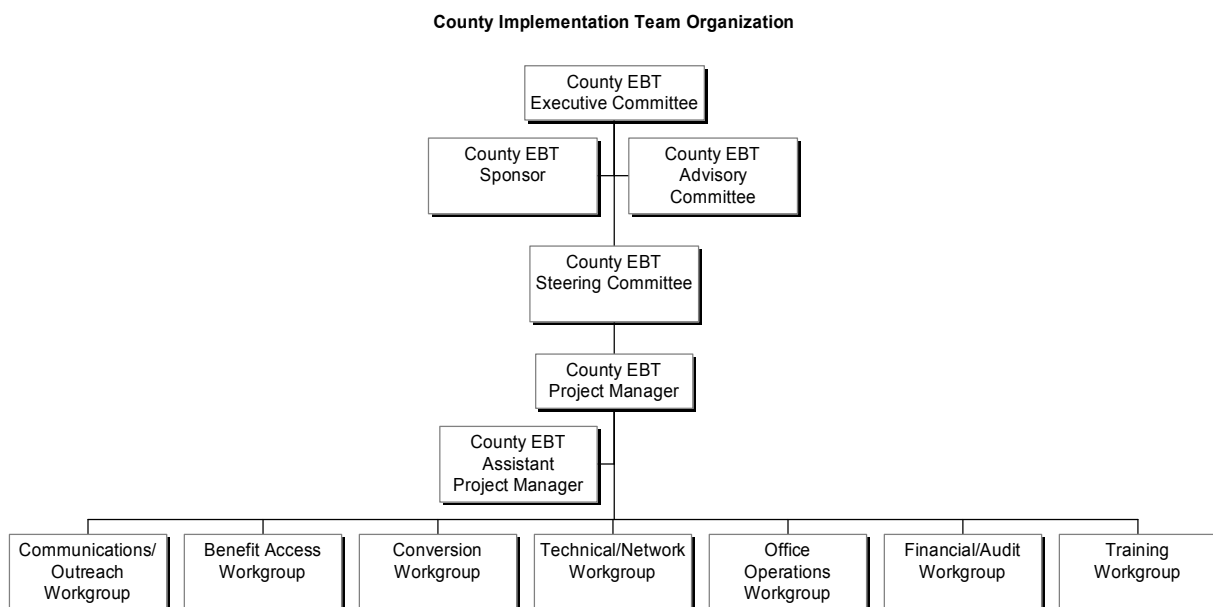
The county's active involvement is essential.

Comprehensive county participation is essential to the successful implementation of EBT in each county. To ensure all impacts of implementation are appropriately identified and managed, it is important that all potentially impacted areas of the CWD are adequately involved in each phase of the county's EBT activities. The county's project team will work closely with both the state project team and CEFS and will have a direct impact on the successful implementation of EBT in the county.

4.2.1 Recommended County Implementation Team Organization

Successful implementation of the EBT system in a county will require preparation and coordination of activities across a number of functional areas, including site preparation, interface development, change management, internal and external communication and training. Development of the county's project team will have a major impact on the success of the implementation efforts. A sample county organization chart is provided to help the county visualize how the county implementation teams may be organized. The

paragraphs following the chart describe the duties and suggested characteristics of these entities.



4.2.1.1 Timing of the EBT County Organization

If possible, the county should select the project management staff prior to the time the readiness training/workshop is presented for their county (month one of the readiness phase for counties on an 8-month schedule and month two for counties on an 11-month schedule). To ensure all county responsibilities are appropriately planned and executed, the state will provide funding for dedicated county EBT project management staff in each county. Depending on the size of each county, the state will fund an EBT County Project Manager and an EBT Assistant County Project Manager. Funding for the county project management staff will begin (for all counties other than Alameda, Yolo and Los Angeles) eight months prior to EBT go live in the county. It would also be beneficial for the county to select its workgroup lead(s) and team members at the same time the project management staff is selected. This process should be completed before the Readiness Training/Workshop is conducted.

It is suggested that the person(s) selected to fill the EBT County Project Manager Position(s) have a thorough knowledge of the day-to-day operating procedures and processes of the welfare department, especially in the areas of budget preparation and approvals. He/she should have extensive knowledge of the county business processes including the areas of benefit issuance and benefit reconciliation. He/she should have strong leadership skills, and should have the ability to represent the county's decisions to state and CEFS staff. An understanding of the welfare department's IT systems and

resources would be extremely valuable. The EBT County Project Manager should have a good working relationship with other county personnel and agencies, including the county auditor and county treasurer.

The following responsibilities are recommended for the county EBT project management staff. Counties may choose how to divide the responsibilities between the state-funded county EBT project management positions.

4.2.1.2 County EBT Project Management Responsibilities

County EBT project management leads the county implementation team and is responsible for assuring that the county completes all activities necessary to successfully implement EBT in the county. The county EBT project management coordinates the implementation activities of the county with the implementation activities of CEFS. They are the primary county representatives at all project-related meetings, task forces and workgroups, and are the primary point of contact for county staff and the

County EBT project management leads the county implementation team and is responsible for assuring that the county completes all activities necessary to successfully implement EBT in the county.

general public for information about EBT implementation in the county. The county EBT project management has overall responsibility for ensuring the preparations for implementation are completed by the required dates. This includes the coordination of all stakeholders that may be affected by the transition to the EBT system. County EBT project management staff responsibilities include:

- Provide a point of contact and represent the county in meetings with county EBT stakeholders and coordinate implementation activities with stakeholders.
- Finalize and document county readiness decisions, priorities and options selected by the county.
- Organize and coordinate activities of the county implementation team.
- Work with CEFS to customize county-specific implementation Workplan.
- Participate with CEFS and the state in developing and reviewing a cash access plan for the county.
- Review and approve all county implementation plans, schedules, and deliverables.
- Oversee change management efforts including the identification of county business processes that require reengineering to accommodate the implementation and operation of EBT.
- Monitor the development, testing, and implementation of EBT reconciliation processes and county cash settlement processes.
- Monitor county interface design, development, and testing.
- Develop policies and procedures to respond to client, retailer, or other inquiries regarding EBT.

- Participate in readiness checkpoints that assess the readiness of the eligibility system interface and the county to proceed with the implementation of EBT.
- Develop policies for card issuance/PIN selection for new clients.
- Prepare regular implementation status reports for county management.
- Identify county issues and problems and manage county problem resolution.
- Plan the selection, acquisition and the site preparation of facilities in the county required for EBT implementation and operations.
- Plan the placement of EBT equipment in the county.
- Develop conversion strategies, plans, schedules, and processes.
- Develop training strategies, plans, and requirements.

4.2.1.3 Recommended County EBT Committees

It is recommended the county develop EBT Committee's that will meet on a regular basis to provide direction to the county project management staff and county EBT workgroups throughout the implementation process. These committees should review and give final approval to decisions recommended by these groups. The committees should be a broad-scoped, decision-making body that includes representatives from all impacted county divisions and/or departments. The major responsibility of these committees is to review and endorse EBT options and business process changes recommended during implementation. These committees should (at a minimum) include representatives from the following business areas and should be formed as early as possible in the county readiness phase:

- County Welfare Department
 - Director's Office
 - Management staff
 - Program staff (from impacted programs, CalWORKs, GA/General Relief (GR), FSP)
 - Fiscal staff (including benefit issuance/reconciliation staff and staff responsible for fiscal and statistical reporting)
 - EBT project management
 - Clerical/support staff
- Other County Departments
 - Auditor's Office
 - Treasurer's Office
 - Information Systems
 - General Services

4.2.1.4 EBT Functional Areas/Workgroups

The tasks associated with the implementation of EBT in each county have been divided into functional workgroups. There are seven logical divisions of responsibilities, however, it is the county's decision as to how many actual workgroup's they are able to staff. It is possible to combine the functional responsibilities of some of the workgroups, (i.e., Office Operations and Training) which would require that the county staff only six workgroups instead of seven. During the Readiness Training/Workshop, the functional responsibilities of each workgroup will be explained in more detail. Outlined below are descriptions of the workgroups outlined the County Organizational Chart and the basic responsibilities:

Communication and Outreach Workgroup

Communication and education for customers, advocates, County staff, partner agencies, general public

Benefit Access Workgroup

Implementation of County activities to ensure reasonable access to cash benefits and participation of authorized Food Stamp retailers

Conversion Workgroup

Conversion strategies and operations, special needs population, customer record updates, customer training, facilities, and site preparation

Technical and Network Workgroup

Telecommunications, connectivity, interface, eligibility system modifications, testing, customer conversion file, security

Office Operations Workgroup

Ongoing issuance of cash and Food Stamps via EBT, office site preparation for ongoing card issuance and training, office operations and procedures

Financial and Audit Workgroup

Settlement, reconciliation, auditing, accounting, benefit issuance, financial reporting

Training Workgroup

County staff training to include EBT overview, CEFS systems and operations and County-specific EBT training

4.2.2 Locating Space and Facilities for Implementation Team

The county is responsible for locating space and facilities to accommodate EBT implementation in the county. At a minimum, the county must provide:

- Office space for the EBT County Project Manager and the EBT Assistant Project Manager(s) funded by the state.
- Meeting room(s) for county implementation team meetings.
- Temporary workspace for state and CEFS staff while providing onsite support to the county.

State and CEFS regional implementation support staff will not have a full-time presence in the counties (with the exception of Alameda, Yolo, and Los Angeles) but instead, will have responsibilities for several counties in their designated geographic region. The regional implementation lead and the retail and benefit access coordinator will be in the county as often as required to assist in the assigned tasks and will need workspace accessible when they are physically present in the county. Additional regional team members may be in the county upon request to support the implementation effort, but will not need to have dedicated workspace.

Alameda and Yolo Counties are the EBT project pilots, and Los Angeles County as the single county in the Los Angeles region, will have additional onsite support from the state and CEFS regional implementation teams. These counties will have full-time regional implementation teams dedicated solely to implementation efforts in the respective county. Workspace for these regional support staff members needs to be dedicated on a full-time basis to each team member for the duration of the implementation activities in the county.

5 EBT Functionality

IN THIS SECTION:

This section describes what the EBT system does, how it works, and the way EBT interfaces with commercial electronic funds transfer components.

- System functions
- System components
- Equipment that will be used by the county

EBT does not alter the benefit application process or the way benefit eligibility is determined. The determination of benefit eligibility remains the responsibility of the county. The eligibility system may be modified to provide for a code to “flag” the case for EBT so that the client’s benefits are included in the benefit file to be submitted to CEFS.

Once eligibility and the level of benefits have been determined and authorized, the county eligibility system sends demographic and benefit information through an electronic interface to the EBT system. An electronic account is established in the client’s name using the client’s eligibility system case number as the foundation for the EBT account. An EBT card with a unique card number is electronically related to the EBT account and is issued to the client. A PIN is assigned or chosen by the client. This PIN is encrypted and stored on the EBT host system.

Once the client has a card and benefits are posted to the account, the client can perform transactions at participating retailers and ATMs. To initiate a transaction, the client swipes the EBT card, enters the PIN, selects the account type and enters the amount of the transaction. The resulting transaction is transmitted to the EBT central processing system where it is validated to ensure the correct PIN has been entered, the client has benefits corresponding to the type of transaction (cash or food stamp), and the account contains an adequate balance to cover the amount of the transaction. If the electronic transaction is approved, the dollar value of the transaction is subtracted from the client’s benefit balance and the client receives goods or cash from the retailer or ATM.

At the end of each business day, the retailer’s or ATM owner’s authorized benefit redemptions are totaled and settlement is initiated via an automated clearing house (ACH) file that debits the appropriate program funding account, and a compensating deposit to the retailer or ATM owner’s bank account. The use of paper-based food stamps and warrants is completely eliminated.

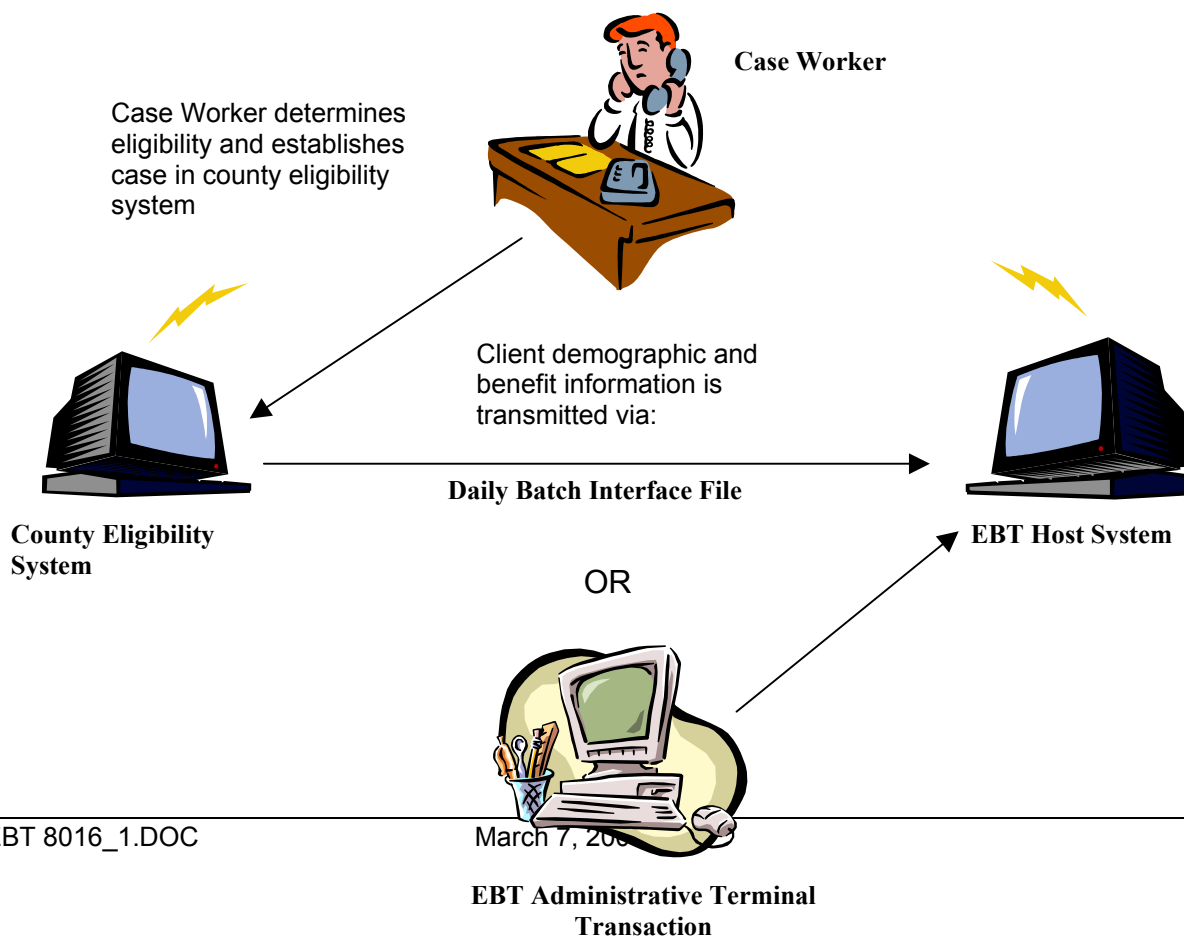
5.1 EBT System Functions

EBT consists of six major functions that are described in the following sections:

- Account setup
- Benefit authorization and maintenance
- Card issuance and PIN selection
- Transaction processing
- Settlement and reconciliation
- Report generation
- Customer service

5.1.1 Account Set Up, Benefit Authorization and Maintenance

The first step in setting up a client to receive benefits via EBT is to establish an account into which benefits can be deposited. This account will reside in the CEFS system. The county triggers the account set up through an administrative transaction. This can be an automatic transaction triggered by a batch file or (as in the case of an immediate need client) a manual transaction keyed directly into an administrative terminal. Once a client's application is registered and a case number established, the client demographic information necessary to create an account is available to initiate this transaction. If a client is eligible for both food stamp and cash benefits, an account for each benefit type will be established in the EBT system. CEFS does not actually create the account(s) until a benefit is received. Once the account is established, the EBT system will keep an ongoing record of account activity.

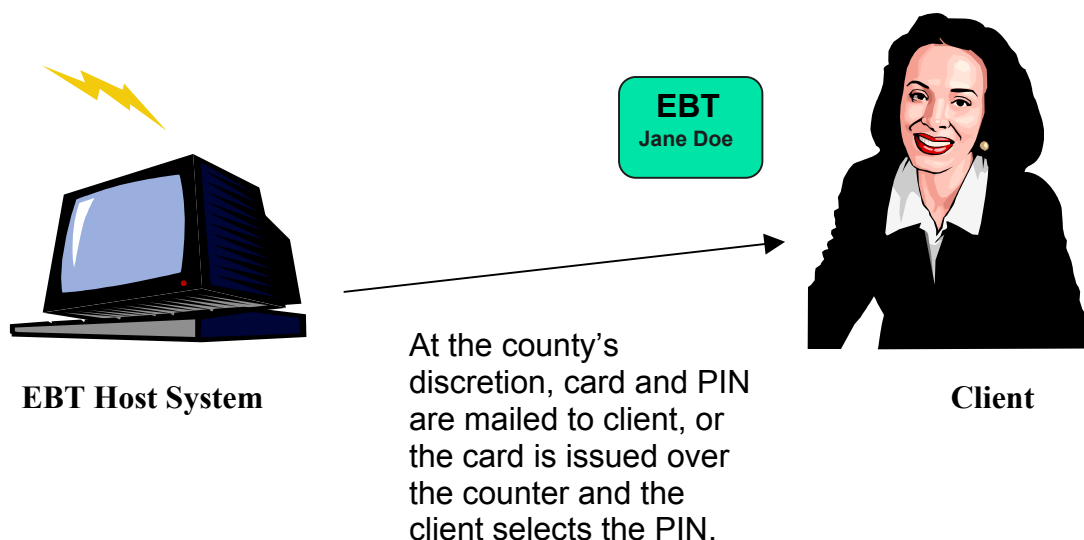


The next step is to issue benefits for deposit into the account. Once benefits have been authorized in the county's eligibility system a benefit file is created (during batch processing) and submitted to CEFS. The EBT system creates the client account(s) and posts the authorized benefits in the EBT database. This batch benefit authorization process requires no action on the part of eligibility staff other than to ensure any benefit issuance code or indicator field that may be a (future) feature of the eligibility system is set to indicate "EBT" as the mode of issuance. The exception to this benefit authorization process will be for immediate-need clients. In the case of immediate need, the benefit authorization may be keyed directly into the administrative terminal. This will allow CEFS to post the benefit to the account immediately so that the client may have access to the benefit that day. It is essential to understand benefit amounts keyed into the administrative terminal circumvent the controls and edits of the eligibility system. If a benefit amount keyed into the administrative terminal does not match the amount reflected in the eligibility system (once nightly batch is run) then the client is either over or under issued and the county is liable for the erroneous amount authorized. Consequently, this administrative function must be carefully controlled within the county.

Once an account is created, any subsequent action is considered account maintenance. The information maintained by the EBT system must remain in sync with the client information contained in the eligibility system (e.g., any changes in the spelling of the client's name, change of address, or social security number). The interface between the eligibility system and the EBT system will manage the exchange of data so that the EBT system automatically receives changes.

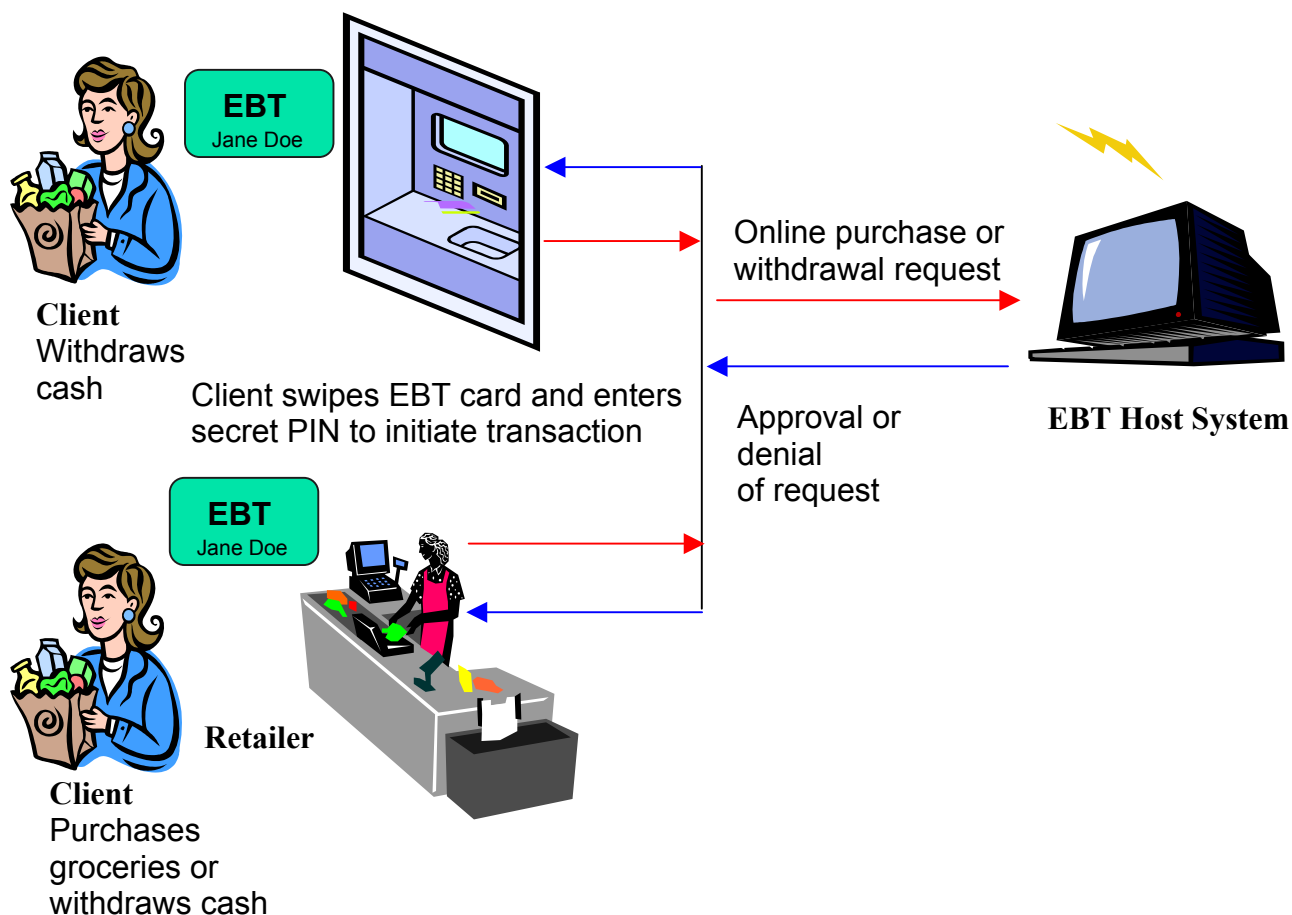
5.1.2 Card Issuance and PIN Selection

Once an account has been established in the EBT system, a plastic magnetic stripe, EBT card is issued to each client, designated adult household member, and/or authorized representative to be used to access benefits. Cards can be issued in person at a county-designated location or mailed to the client's home (at the county's discretion). The client also needs a PIN, which can be selected in person or mailed to the client separately from the card. The EBT card must be linked to the client's EBT account(s) and the PIN must be linked to the card. All of these links must be in place for the client to be able to access benefits through the EBT system.



5.1.3 Transaction Processing

When clients want to access benefits, the EBT card is swiped at a POS or inserted into an ATM, and the client enters the PIN to access the account. The terminal software prompts the client/clerk to enter the dollar amount, account type, and other transaction data as may be required by the nature of the transaction. The EBT system electronically verifies the PIN and the account balance, and sends an authorization or denial back to the ATM or POS. If the transaction is authorized, the client's account is then debited for the amount of the purchase, and the retailer's account is credited when settlement is initiated. The cardholder receives a receipt for the transaction that displays the new account balance.

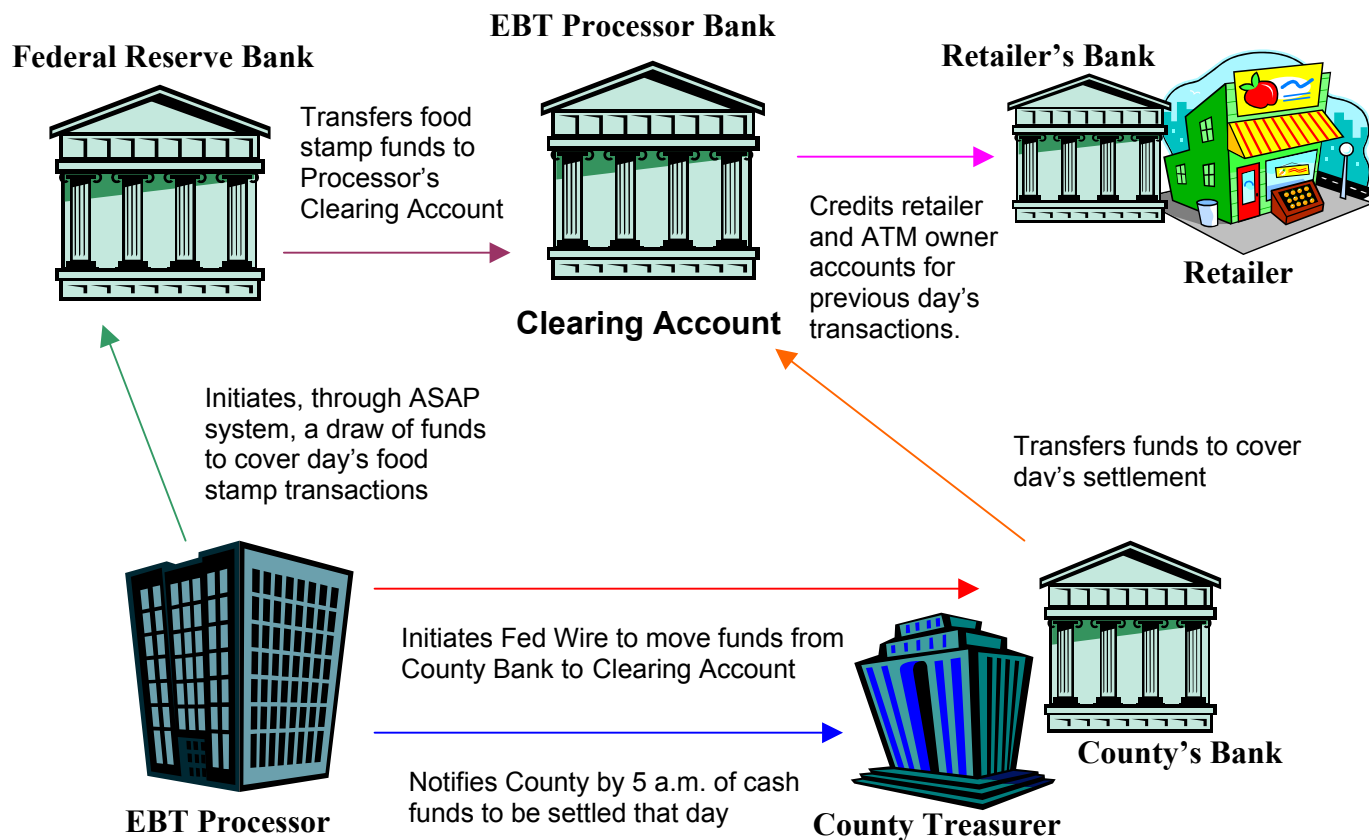


5.1.4 Settlement and Reconciliation

Settlement and reconciliation are the financial components of EBT.

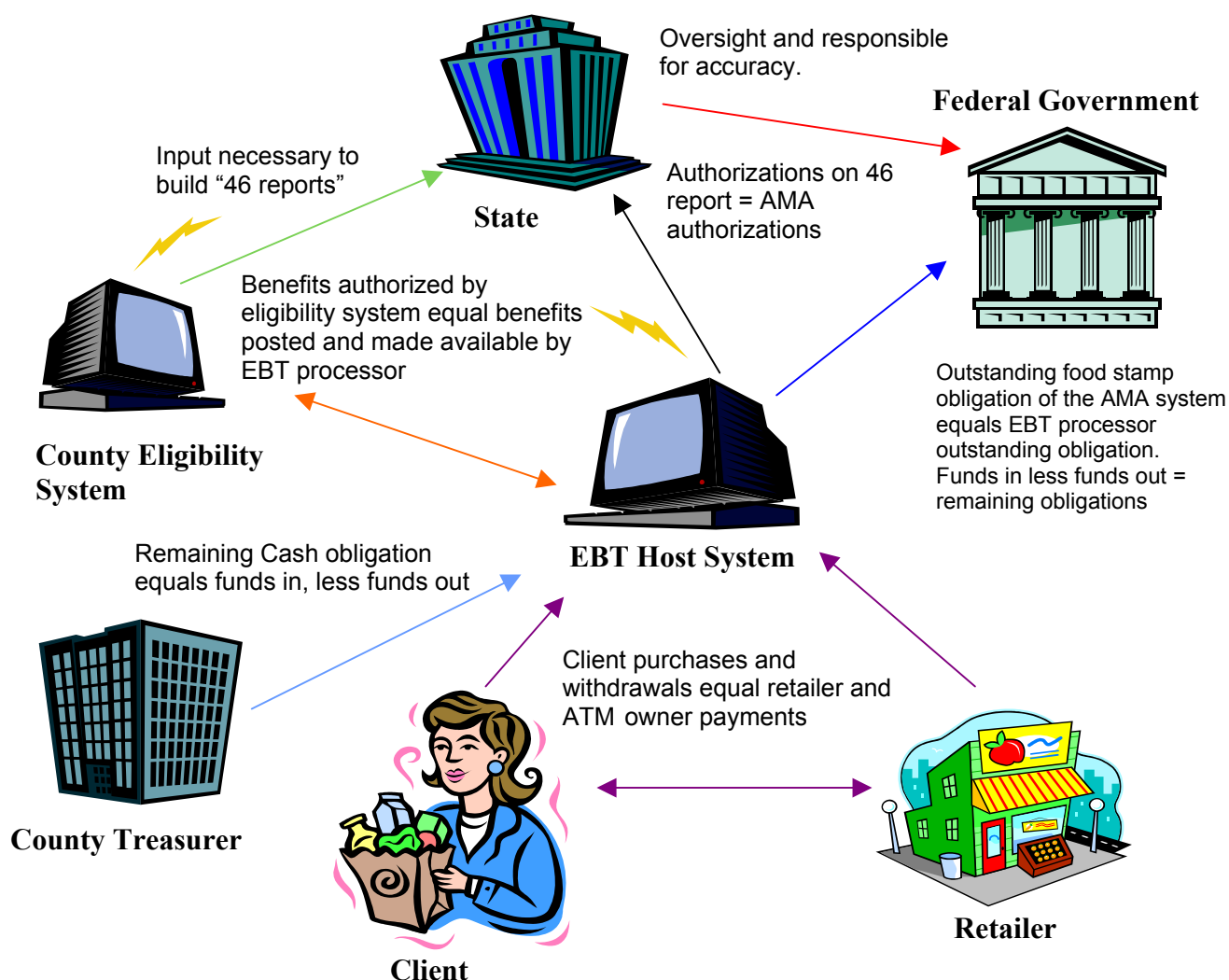
5.1.4.1 Settlement

Settlement is the means by which CEFS ensures reimbursement for client-originated transactions that occurred at retailers and/or ATM networks for the prior business day. Essentially, settlement involves debiting the appropriate government funding account and crediting the account of the retailer or ATM owner. Settlement is processed using the National Automated Clearing House Association (NACHA) system. As the transaction processor who authorizes the transaction, CEFS assumes the legal obligation to reimburse retailers and ATM owners under the operating rules. CEFS creates an ACH file to debit an account owned by its settlement bank and is then reimbursed by the responsible funding entity (the county for cash benefits, USDA for food stamp benefits) for those payments. Settlement functions are critical in an EFT environment to ensure retailers, ATM owners, and CEFS are all timely reimbursed. CEFS will initiate settlement payments to retailers and financial institutions each settlement day to ensure receipt of settlement payments by the retailers and financial institutions the next business day.



5.1.4.2 Reconciliation

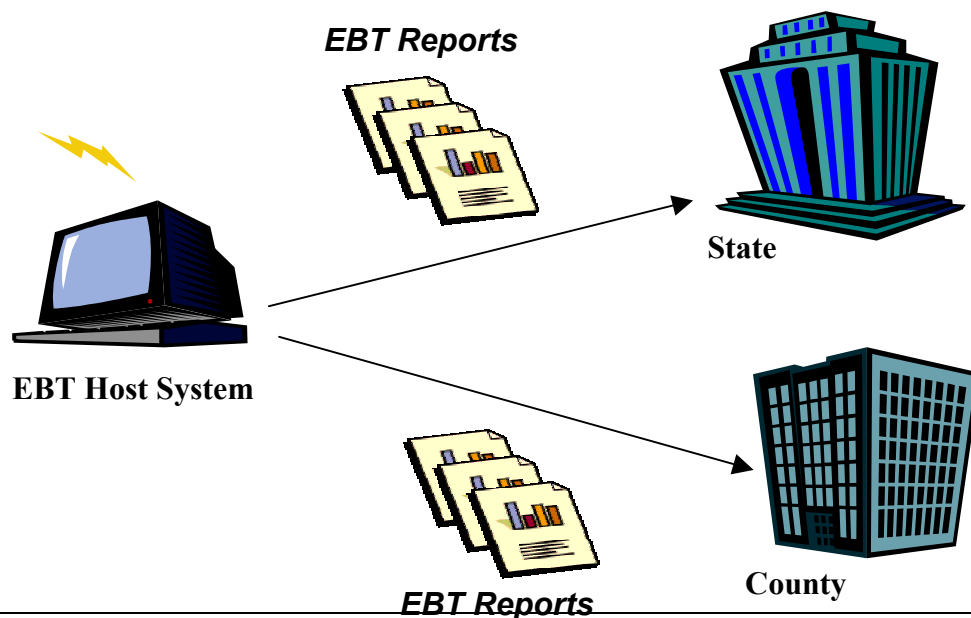
Reconciliation is the process used to ensure the financial integrity of the EBT settlement process. At the highest level, reconciliation is the process of ensuring beginning balance of each account, minus debits and plus credits reconciles to the ending balance. Each point in the settlement process must balance. The benefits authorized in the eligibility systems must balance with the benefits posted in the EBT system. The outstanding liability on the EBT system must balance with the total benefits authorized and the net balance of daily transaction activities. And finally, each day's ending-balance must be reconciled as the previous day's ending balance, plus all new benefits, less any settled transactions, plus or minus any adjustments, and minus any rejected benefit authorizations.



5.1.5 Report Generation

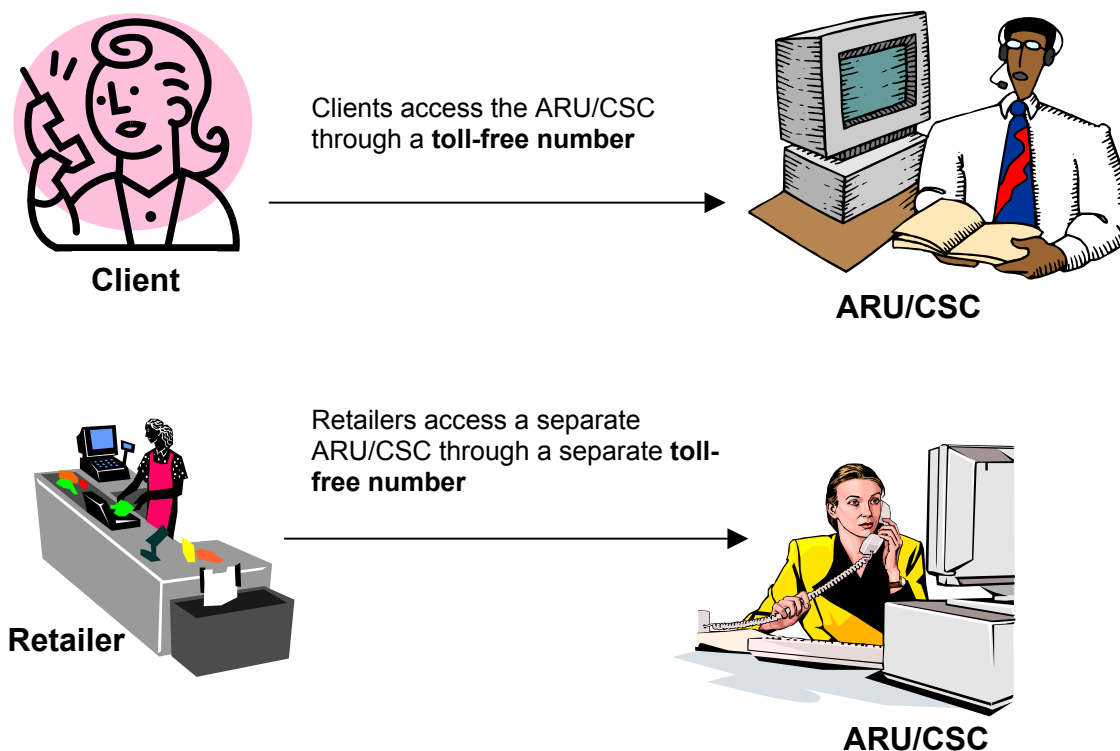
The EBT system provides a variety of daily and monthly reports to accommodate the informational needs of the agencies involved in the delivery and reconciliation of benefits issued via EBT. Information is provided at program, local office, and county summary levels. The following is a high-level list of some of the standard reports that are generated by the EBT system. The actual number and format of reports will be determined during JAD sessions. Note that in some cases the “report” will be an electronic file.

- **Financial Audit Reports** – Reports used to account, reconcile, balance, and audit the EBT system processing and operations. These reports provide detail on every transaction that impacts an EBT account balance or account status.
- **Support Reports** – These reports are used to control and account for activity taking place on the EBT system, such as card issuance, batch processing reports, batch exception reports, and benefit aging reports.
- **Administrative Terminal Security** – These reports identify the users of the administrative terminal functionality, the access provided these users, as well as an audit trail of the transactions performed by the users.
- **Fraud Reports** – Reports that are used to detect fraud and manage fraud investigation activities for all benefits administered through EBT.
- **Statistical Reports** – Reports that help with the management of the EBT system such as monthly utilization reports, transaction-type activity summary reports, and transaction-time and date activity summary reports.
- **System Performance Reports** – These reports are provided only at a state level and detail the performance of EBT against established processing requirements.
- **Customer Service Reports** – These reports are provided only at a state level and detail the effectiveness of the CEFS customer service functions for both client customer service and retailer customer service.



5.1.6 Customer Service

CEFS provides 24-hour customer service to both clients and retailers. The EBT Automated Response Unit (ARU) and Customer Service Center (CSC) is a toll-free help line that allows clients to seek assistance, report an account discrepancy, check account balances, or report lost or stolen cards. The ARU/CSC also provides assistance to retailers including allowing for voice approvals for food purchase transactions in the event of a system failure. The toll-free telephone number for the retailer ARU/CSC will be different than the client customer service number. All calls are initially routed to the ARU, which presents a menu of service options. The ARU is able to assist the client with the vast majority of service needs (generally 96 percent or more of calls). A small percentage of calls will require the assistance of a live customer-service representative. Both the ARU and CSR are supported in multiple languages.



5.2 *EBT System Components*

Following is a high-level description of the EBT system components that will make up the California EBT system:

- Eligibility System Interface
- EBT Transaction Processing Platform
- Concentrator Bank
- Gateway
- Third-Party Processors
- POS Terminals and ATMs
- EBT Equipment

5.2.1 Eligibility System Interface

The county or consortium eligibility system captures and maintains client eligibility and benefit authorization information and exchanges data with the EBT system through an electronic interface. In California, CEFS will be exchanging information with seven different county eligibility systems operating in 19 different locations supporting 56 participating counties. This number of physical interfaces will be reduced to four during the life of the EBT contract as counties transition to their respective SAWS systems.

The county/consortium eligibility systems will require modification in order to develop the eligibility-system side of the interface and integrate EBT functionality into their existing processes. This is the responsibility of each county and its processing consortium. The EBT Project will actively work with the county IT organizations to help them understand the requirements of the EBT program and the interface specifications that dictate how eligibility systems will communicate with the EBT host. An Interface Guide is being developed that will contain technical descriptions and technical specifications related to the development, testing, and implementation of the eligibility system interface.

5.2.2 EBT Transaction Processing Platform

“Transaction processing platform” is the industry term used to describe the CEFS host computer and supporting hardware, software, and telecommunications infrastructure required to process transactions. The transaction-processing platform has several key architectural components:

- **EBT Host** – The EBT host is the central account-management component of the system. Client accounts are established and maintained and client benefits are posted on this processing platform. All purchase and withdrawal transactions are approved or rejected by this component and financial settlement is initiated here. It is the source for all EBT reporting.
- **Switch** – A central transaction-processing component that accepts incoming financial transactions for California EBT along with other states’ EBT systems

and commercial payment systems as well. Based on the card number on the incoming transaction, the Switch routes transactions to the appropriate host system for approval and sends the response message back to the appropriate transaction acquirer. It is the central point for retailer and ATM owner financial settlement.

- **EBT-Only Acquirer** – A processing entity that provides POS terminal driving, transaction processing, and settlement for the EBT-only merchants equipped by the state. This entity acquires purchase and withdrawal transactions from EBT-only POS equipment and sends them to the Switch for routing to the appropriate host for approval.
- **Customer Service Center** – A toll-free help line provided by CEFS that allows clients to seek assistance, check their account balance, and in the event of a system failure, receive voice approvals for a food-purchase transaction. The CSC will also provide retailer support services.

5.2.3 Concentrator Bank

The concentrator bank is the financial institution that provides settlement services to CEFS. Many of the required settlement activities can only be performed by a licensed, federally insured financial institution. Since CEFS is not a bank, it cannot perform these required functions and must rely on a concentrator bank, generally acting as a subcontractor, for these services. Technically, it is the concentrator bank that is guaranteeing payment to retailers and ATM owners for goods and services provided to EBT cardholder, by assuming the settlement responsibility on behalf of CEFS.

5.2.4 Gateway

A gateway is a central hub that establishes connectivity between the EBT host and each of the networks within the existing commercial infrastructure. Since CEFS does not have direct connections to all the commercial end points, a gateway allows linkage between the EBT system and the commercial ATM and POS networks across the country.

5.2.5 Third-Party Processors

Third-Party Processors (TPP), also known as third-party service providers are commercial payment processors that specialize in providing POS terminal driving and transaction processing services to the retail community. CEFS provides a standard transaction interface and set of processing rules that allow these entities to easily participate in the EBT network and to acquire California EBT transactions. Transactions acquired by a TPP are sent to the Switch for subsequent routing to the EBT host for approval.

5.2.6 POS Terminals and ATMs

Clients will electronically access their food stamp and/or cash benefits through the use of a POS device or an ATM. A POS is an electronic device that provides clients' access to benefits, and transmits transaction data to the EBT processor. These terminals are typically found in retailer locations that accept debit-card (EFT) transactions. An ATM is

a terminal from which banking transactions can be performed, including cash withdrawals and balance inquiries.

5.2.7 EBT Equipment

5.2.7.1 Administrative Terminals

Administrative terminals are used to communicate with the EBT host to perform administrative transactions and to obtain information. Functions that can be performed through an administrative terminal include activities such as account set up, card issuance, immediate-need benefit issuance, repayments, coupon conversion, replacing lost or stolen cards, account history, and balance inquiries. This is accomplished through either a personal computer or a “dumb” terminal that is on line with an eligibility system host computer. Counties have the option of utilizing existing equipment or having CEFS install administrative terminals. In the case where the county is utilizing existing equipment, CEFS will supply software to enable the equipment to function as an administrative terminal. Where additional equipment is required, CEFS will supply personal computers with the following minimal specifications:

- Windows operating system
- 450Mhz processing speed
- 64mb RAM
- 250mb hard drive
- 15” color monitor, keyboard, mouse and all required cables

5.2.7.2 Card-Issuance Equipment

Equipment required to issue cards to clients includes two types of equipment. First is a device that allows the client to select a PIN and encrypt that number for upload to the EBT host. Second, a card embosser will be used to emboss (apply with raised characters) the card number and personalized data including the client’s name on the card. CEFS will provide the following equipment:

| Type of Equipment | Manufacturer | Model |
|---|--------------|-----------|
| PIN selection and PIN encryption device | Mag-tec | APTM CAPS |
| Card Embosser (low volume) | DataCard | 150 |
| Card Embosser (high volume) | DataCard | 295 |

6 Roles and Responsibilities

IN THIS SECTION:

This section describes the roles and responsibilities of the state, the counties and CEFS, and the organizational structure of the EBT Project in the implementation and operation of the EBT system.

- Overview of project roles and responsibilities
- Comparing and contrasting state, county and contractor roles

This section contrasts the roles and responsibilities of each party during implementation to the roles and responsibilities during the operational phase of EBT. The intent is not to present a comprehensive list of all responsibilities of each party, but rather to present a general description of the scope of responsibilities in the overall effort to implement EBT in California.

This section also provides a high-level description of the roles of other stakeholders with either direct involvement in the EBT system or indirect involvement in the commercial platform upon which EBT is dependent. While counties will have little or no direct contact with these other stakeholders, understanding the role of these stakeholders is essential to understanding the total environment in which EBT functions.

6.1 Overview of Roles and Responsibilities

This section presents a conceptual view of the EBT system and how the roles and responsibilities of each party relate to the overall effort required to implement EBT.

Converting from paper-based benefit delivery to EBT is a significant undertaking. A successful conversion to EBT requires the coordinated effort of CEFS, the state, the counties, and the various stakeholders that constitute the commercial infrastructure. CEFS has primary contractual responsibility to ensure California's EBT system is successfully implemented.

The bulk of the effort required to design, develop and implement EBT rests with CEFS, but CEFS can only be successful if all involved parties fulfill their responsibilities. For example, CEFS is responsible for recruiting retailers and ATM owners to accept the EBT card. There is no direct responsibility assigned to the state or counties to contribute to this effort. However, the active support and involvement of state and county officials will enhance the success of CEFS, since the retailers and bankers in any community

are generally more responsive to local community leaders than to an external corporate entity alone.

When discussing EBT roles and responsibilities, it is also important to understand the way EBT fits in the total administrative functions required to administer entitlement programs. A “big picture” view of the FSP, for example, includes many functions beyond the county’s functions (i.e., processing applications, determining eligibility and issuing benefits), such as certification and management of retailers, production and distribution of coupons, and retail and banking activities required to reimburse retailers and process the coupons.

In a paper-based environment, the relationship between issuing benefits and redeeming benefits is indirect. A county is only involved with the issuance process; the redemption of coupons is handled outside the county’s scope of operations at the retail store. The issuance and redemption aspects of program administration are unrelated.

In contrast, the EBT system involves a more direct relationship between benefit issuance and benefit redemption. This does not suggest that counties will have an expanded responsibility. Under EBT, the county’s focus and responsibility will continue to be on determining eligibility and authorizing benefits. CEFS will be responsible for operating the system that manages the issuance and redemption aspect of the program. However, where the county had little or no involvement in where or how a client cashed a warrant or used his or her food coupons, EBT will result in an awareness of the cause and effect relationship between issuance and redemption.

CEFS will provide EBT service through a proprietary platform that includes shared infrastructure for more than 30 other states. That service is wholly dependent upon connectivity to the commercial POS and ATM infrastructure.

Therefore, from a practical standpoint, good client service precludes absolute compartmentalization of roles and responsibilities. For example, a common problem occurs when clients report that no benefits were deposited in their EBT account when in fact their eligibility has expired and the county has not generated a benefit. During early implementation in some states, clients who called the state with this problem were misdirected to the EBT contractor because when county staff heard “EBT” they informed the client that a contractor provides that service and directed them to the toll-free number.

A final perspective to keep in mind when discussing EBT roles and responsibilities is that government neither owns nor controls the full EBT infrastructure. EBT is often referred to as a “piggy-back” upon the existing commercial infrastructure. California’s EBT system will interface with numerous in-state and interstate commercial networks and linkages. Just as no one entity owns or directs the nationwide telephone system, no single entity owns or directs the entire EBT infrastructure.

California is not buying an EBT system in the same sense that a county buys an eligibility system. There are certain components of the EBT system that the state will own and control (e.g., the system design, training material, county interfaces); however, the state is primarily purchasing a service. CEFS will provide that service through a proprietary platform that includes shared infrastructure for more than 30 other states. That service is wholly dependent upon connectivity to the commercial POS and ATM infrastructure, which operates with mutually accepted operating rules and written agreements. The roles and responsibilities of each party are heavily intertwined and reflect mutual dependencies. The scope of services and deliverables to be provided by CEFS represent the core services and elements that the state needs to implement EBT, and a requirement to provide access to those elements of EBT outside the span of CEFS control.

6.2 CEFS Roles and Responsibilities

CEFS has overall responsibility for the design, development, implementation and operation of the EBT system. The ITP and the EBT contract define a myriad of specific deliverables, tasks, and responsibilities that constitute the scope of the CEFS responsibilities. Many tasks and deliverables are quite specific and prescriptive, for example, the use of the Quest[®] Operating Rules. Many other tasks and deliverables are defined in terms of outcome, for example, the development of comprehensive training materials. Beyond those deliverables and responsibilities delineated as specific contractual obligations is the fundamental responsibility for the overall successful implementation of California's EBT system. CEFS was hired as the EBT expert with the knowledge, ability, and resources to provide all deliverables and services that are required to achieve the state's basic goals and vision for an EBT system.

During the design, development and implementation phases of the project, CEFS roles and responsibilities are very broad and all encompassing. In the operational phase, their role and scope of responsibilities is somewhat reduced. Once fully operational, CEFS role is primarily that of service provider – providing transaction processing, customer service and settlement services.

CEFS has been hired as the EBT expert with the knowledge, ability and resources to provide all deliverables and services that are required to achieve the state's basic goals and vision for an EBT system.

The following is a high-level list of CEFS responsibilities. This list is intended to provide the reader with a general understanding of the scope of deliverables and services that CEFS will provide:

Services:

- Provide project management.
- Provide a project team and all resources required to support EBT.
- Conduct JAD sessions, define and develop the system.

- Train state, county staff, clients, and retailers.
- Provide all services necessary to implement EBT statewide.
- Install and maintain state, county, and retailer equipment.
- Perform customer service and dispute resolution.

Deliverables:

- Project Management Plan
- Project Workplan (including county-level workplans)
- System Design Document
- Implementation Plan
- Quality Assurance and Risk Management Plans
- System Capacity Plan
- Settlement and Reconciliation Plan
- EBT cards
- Training materials and video
- Cash Access Plan
- Retailer recruitment and POS installation

Operational Responsibilities:

- Provide the transaction processing system and gateway services.
- Maintain interface with county eligibility systems to facilitate daily data exchange.
- Provide a customer service and ARU.
- Provide and maintain equipment at state and county locations.
- Provide connectivity to all state and national networks.
- Facilitate daily settlement and reconciliation.
- Respond to third-party certification request.
- Provide retailer management services.

For a more comprehensive understanding of CEFS responsibilities and deliverables, please refer to Sections 5 and 6 of the ITP.

6.2.1 The Relationship Between CEFS and the Counties

The EBT contract is an agreement between the state and CEFS. The counties are not signatories to the contract, and thus there is no direct contractual obligation between any county and CEFS. However, the state is contracting for services that will be delivered at the county level and through county systems. Consequently, it is absolutely essential that roles, responsibilities, and lines of authority be clearly delineated. CEFS will have extensive daily interaction and involvement with county staff. Much of that involvement will be in conjunction with the state's Regional Implementation Team or

other state project staff. On other occasions, CEFS and the county will have direct discussions and interaction. This interaction may be at various levels of staff responsibility. A successful project necessitates a good working relationship and open interaction between staff at all levels in the completion of tasks. Establishing a close working relationship and effective communication between the EBT County Project Manager, the EBT Project Team and CEFS is absolutely essential to ensure the contract is effectively managed and the implementation is successful. At the county level, the EBT County Project Manager is deemed the single line of authority for all communications and decisions.

While CEFS is responsible for the design, development and implementation of the EBT system, CEFS does not have direct accountability for all tasks; there are areas that are dependent upon county activities to accomplish. However, CEFS is still responsible for monitoring, assisting, or otherwise helping to manage the outcome of tasks for which they are not directly accountable. For example, the counties are responsible for developing the eligibility system portion of the EBT interfaces. The counties/consortium will direct their eligibility system vendor(s) to develop the interface and under no circumstances would CEFS become physically involved in the development effort. However, CEFS is responsible for managing the project Workplan and for the overall management of the project. Thus the status of the interface effort is CEFS responsibility to help manage and ensure the county's efforts are completed on time.

Establishing a close working relationship and effective communication between the EBT County Project Manager, the EBT Project Team and CEFS is absolutely essential to ensure that the contract is effectively managed and the implementation is successful.

For counties that elect to use the EBT system to deliver cash benefits, the fact that the county has no contractual relationship with CEFS presents a challenge for settlement. The county holds the funds required to settle with acquirers (retailers and ATM owners) who have provided cash or services to its clients based upon a transaction authorized by CEFS. In the settlement process, CEFS will pay the retailers and ATM owners and request the county to reimburse that outlay without the need for CEFS to "float" funds for the county. The state is contractually responsible for seeing that counties pay the obligation in a routine and timely manner. CDSS will issue regulations to define this process.

6.2.2 EBT Contractor Team

CEFS will provide the staff resources necessary to support all contractual responsibilities. CEFS primary facilities that will be engaged in supporting California EBT are located out of state: the corporate office is in Illinois; the mainframe is in Delaware; and much of the development staff and infrastructure is in Florida. At various points in the design, development, and implementation of the project, CEFS will have specific staff onsite in California. For the duration of the implementation period CEFS will always have some staff onsite in Sacramento. In general, it is up to CEFS to define

the level of resources required, and to direct those resources to accomplish all necessary tasks and responsibilities. The EBT contract specifies key positions that CEFS must provide and minimum qualifications that must be met when these positions are filled.

- **Project Director/Corporate Officer in Charge** – The Corporate Officer in Charge is responsible for ensuring the project receives the highest level of corporate support, commitment, and oversight, as well as managing contractual relationships.
- **Project Manager** – The Project Manager is responsible for the day-to-day management of the project including overall performance and contract compliance. The Project Manager is responsible for managing and coordinating the contractor resources assigned to the project, and ensuring all tasks in the project Workplan are executed within the schedules and state requirements.
- **Technical Manager** – The Technical Manager is responsible for facilitating the system design process and ensuring appropriate technical resources are available to the state project team.
- **Telecommunications Manager** – The Telecommunications Manager will oversee the telecommunications design and CEFS support of the EBT system communications including the necessary system interfaces. The Telecommunications Manager will plan and manage all network installation activities, oversee all necessary network testing, monitor network performance, and ensure network capacity is sufficient.
- **Operations Manager** – The Operations Manager will manage operations at the CEFS data center or host site operations. The Operations Manager is responsible for all EBT system operations, including transaction processing, settlement, reconciliation, and reporting.
- **Systems Implementation Manager** – The Systems Implementation Manager is responsible for the timely coordination of all implementation-related tasks. The Systems Implementation Manager will oversee and manage the activities of The CEFS Regional Implementation Managers.
- **Regional Implementation Managers** – Regional Implementation Managers will support the Systems Implementation Manager and provide regional onsite county support. They will work closely with state and county project representatives to plan, prepare and coordinate implementation activities. There will be one Regional Manager per region for the duration of implementation activities in the region.
- **Retailer Manager** – The Retailer Manager is responsible for contacting and communicating with California retailers, including both FNS-authorized and non-FNS retailers. The Regional Manager will prepare and execute a retailer communications/marketing plan to inform retailers about the EBT Project.
- **Integration Manager** – The Integration Manager will support the Retailer Manager with equipment installation and integration issues and activities. The Integration Manager will focus on the resolution of retailer and third-party processor system integration issues.

- **Test Manager** – The Test Manager will be responsible for the management of all system test activities including interface testing.
- **Cash Access Manager** – The Cash Access Manager is responsible for developing the cash access plans for all counties choosing to use the EBT system for cash benefit issuance. The Cash Access Manager is responsible for identifying and tracking cash access issues and working with the state and counties to develop comprehensive cash access strategies to address cash access issues.
- **Training Manager** – The Training Manager is responsible for planning, coordinating and managing all client, retailer, state, and county training activities. The Training Manager will assess training requirements and develop detailed training plans as well as oversee the development of all related training materials.
- **Customer Service Manager** – The Customer Service Manager will have the primary responsibility of managing all customer-service-related functions for clients and retailers. Duties include: managing the Customer Service Center, training and managing customer services representatives, monitoring customer service issues and performance, and recommending issue resolution strategies.

In addition to the above named positions, CEFS will have an appropriate mix of systems analysts, systems integrators, network specialists, installers, trainers, operations staff, support staff, and other staff necessary to provide the service required to effectively implement and operate EBT.

CEFS will have staff located with the EBT Project Team in Sacramento, as well as other staff that may be located at other locations outside the state. CEFS will also have staff in the field working with the county and the retailers in implementing EBT statewide. Field staff includes the Regional Implementation Managers, Retailer Manager, Cash Access Manager, and Training Manager.

6.3 County Roles and Responsibilities

The EBT system will be implemented at the county level. The focal point for all implementation efforts is at the county level, both in the conversion of clients to EBT

Only the county can provide the input and direction to ensure that the specific needs and issues of the county are identified and addressed.

and in the recruitment of retailers and deployment of POS equipment. While CEFS is responsible for implementation and the state's EBT Project Team provides leadership for the statewide effort, the county has a key role in ensuring a successful outcome at the county level. The county's active involvement is essential. On the surface, the implementation methodology may appear to be a "cookie-cutter" approach where the tasks and processes are applied from county to county without regard to the size,

organizational structure, or demographics of the county. That is not the intent and will not achieve the best result, as one size does not fit all. Only the county can provide the input and direction to ensure the specific needs and issues of the county are identified and addressed. The EBT system is being implemented as a tool to improve benefit delivery and to complement the administration of food stamp and cash programs. The county's role is to ensure the tool will work effectively for the county. In order to successfully and efficiently implement the EBT system, the county must be actively engaged and involved.

6.3.1 Timing Of Readiness Activities

Before readiness activities begin in any county, it is essential the county fully understand the importance of implementation as a coordinated team effort between the county, CEFS, and the state. The county must not proceed independently or get ahead of the defined process. As with any important decision the county makes, readiness and implementation decisions can only be made when the county has all the necessary facts and understands the issues, the implications, and the objectives. Although some stakeholders may be anxious for the county to make decisions, there is an appropriate time for every step. It is in the best interest of the county and its clients not to make decisions or begin readiness efforts in advance of the schedule.

This guide will provide insight into the tasks to be accomplished and decisions that must be made to implement EBT in the county. However, this guide is not meant to be a stand-alone blueprint for readiness or implementation activities. This guide is meant to introduce the scope and complexity of county tasks and responsibilities that will be undertaken in partnership with the state EBT Project Team and CEFS during the county readiness phase.

6.3.2 Managing Local Concerns And Issues

EBT represents a significant change for the county and its clients. Uneasiness about what EBT will bring is natural. As with any big project, rumors, fears, and speculation sometimes precede the availability of the facts and informed knowledge the county needs to proceed. EBT is operational in more than 40 states and has a highly successful track record for more than a decade. While not perfect, EBT has proven vastly superior to paper-based benefit delivery. EBT can and will be adapted to address the issues California will encounter. Many issues result from the implementation of EBT, not the operation of EBT once implemented and established. A lesson learned from numerous states is that a methodical, well-organized planning and implementation phase is the best way to avoid problems. The key ingredient in success is extensive state and county involvement and ensuring that stakeholders—retailers and, of course, the clients—are actively engaged. The county, state, and CEFS must address problems as a team and identify solutions. With a team effort, issues can be identified before they become problems requiring corrective action. In order to effectively interact with the state and CEFS, it is essential the county establish a basic level of understanding

A methodical, well-organized planning and implementation phase is the best way to avoid problems.

and confidence in EBT. The county must have buy in and commitment to a team effort so that the state, county, and CEFS all stand uniformly behind the decisions and direction taken. Throughout the planning and implementation phase, the EBT Project Team will work together with the counties to present the facts and address the issues. Because the Regional Implementation Team will be supporting several counties in the region at any point in time, the commitment to work “side-by-side” must be viewed in context of the resources available.

6.3.3 County Responsibilities

As a component of the statewide Workplan, each county will have a Workplan that details all tasks and activities that must be completed in order to implement EBT in the county. Only when that Workplan is developed and accepted by the state and county will the ultimate scope of tasks and responsibilities be defined and the timing of those tasks known. In advance of that Workplan, the following is a basic description of county responsibilities:

6.3.3.1 General Administrative Responsibility

- The county needs to be prepared to support all efforts scheduled in the Workplan. The county must have the appropriate resources assigned and available with appropriate level of authority to support local implementation. Accomplishing tasks according to the Workplan timeline is critical. The statewide implementation plan is predicated upon all parties performing their assigned responsibilities in accordance with the project Workplan. Many of those tasks are interdependent. This means that all parties must keep on schedule.
- The county must provide the environment that will enable CEFS and the Regional Implementation Team to perform their duties. CEFS and the Regional Implementation Team understand that they are entering into county offices that are fully engaged in the administration of programs and service delivery. They realize that this is the first priority of the county and they do not intend to be disruptive to daily operations. In preparation for onsite activities, it is the county’s responsibility to see that local offices are prepared to receive, work with, and where necessary, work around local office functions.
- The county must take lead responsibility for working with its eligibility system consortium, the county treasurer, county auditor and other involved departments of county government.
- The county must ensure all county legal and regulatory steps are taken to prepare for EBT. This would include, where necessary, obtaining approval from the Board of Supervisors and informing employee unions of change.
- The county must actively participate in readiness and implementation. Staff assigned to the implementation will not just attend implementation meetings, but must be prepared to actively participate and, where appropriate, take a leadership role.
- The county must understand and represent the interest of the local field offices, the clients, and stakeholders. County communication plans must be coordinated with the EBT Project Communication Plan to ensure accurate, consistent, and timely

information is provided to the public and that stakeholders are considered in the decision-making process.

- The county implementation team will need to coordinate county activities not directly related to the implementation Workplan that result from the implementation effort, (e.g., phase out of a subcontractor that currently issues food stamp coupons).
- The county must manage a business process change effort by integrating EBT functions into the existing county systems and business processes. (e.g., accommodating the impact at reception of client traffic and client questions relating to EBT.)
- The county will assume responsibility for control and operation of county EBT functions once implementation is complete. This does not suggest that a county is on its own once implemented; support will continue to be available. However, the daily responsibilities such as card issuance and client training will become county responsibilities.

6.3.3.2 Specific County Responsibilities

- Assign staff to assume the positions funded by the state to support EBT, including the EBT County Project Manager and (in some counties) the EBT Assistant Project Manager. Ensure staff has delegated authority necessary to complete their responsibilities.
- Establish an EBT Advisory Committee or other management oversight process, as the county deems appropriate to direct and oversee the readiness and implementation of EBT. Assign representatives from all impacted CWD units to coordinate with the EBT County Project Manager (for example program policy, fiscal, fraud).
- Manage the development of the interface between the county's eligibility system and the CEFS host, or participate in the consortium effort if the county operates within a consortium. An Interface Guide to include interface specifications will be provided to counties.
- Prepare for program-specific adjustments to support settlement and reconciliation at the county level. A Settlement and Reconciliation Guide will be provided to support this effort. For cash settlement, the county will need to work closely with the CDSS Fiscal Unit to implement settlement and reconciliation procedures.
- Evaluate and decide upon card issuance and implementation options that have been established as county-level options.
- Review, comment, and provide timely input into various plans and deliverables that will be produced by CEFS (e.g., County Workplan, County Cash Access Plan).

6.4 *State Roles and Responsibilities*

As with many major system implementation projects undertaken by CDSS, the HHSDC is responsible for project management. California IT projects are generally large, complex, and expensive undertakings due to the size and complexity of the State of California. Historical problems with large projects necessitate a comprehensive approach to project management. The HHSDC manages projects with extensive emphasis on “Best Practices” that have evolved from lessons learned on past projects.

The HHSDC approach to management of the EBT project is also influenced by lessons learned from other states. As one of the last states to implement EBT, California has the advantage of lessons learned from numerous other state EBT implementations.

Perhaps the most fundamental lesson learned is the need to carefully manage EBT implementation, since that is where the majority of glitches arise. Once the EBT system is fully implemented and an operational routine is established, states report minimal problems. To address this issue, the HHSDC will provide a project team that emphasizes EBT-specific experience and skill sets appropriate to the work to be performed. The project team will include consultants with extensive EBT experience and state staff with extensive California-specific project management experience. The state EBT Project Team was carefully planned to ensure all areas and phases of the EBT Project have sufficient resources to ensure California's EBT system is implemented with strong oversight and emphasis on risk management.

The EBT Project Team will include both consultants with extensive EBT experience and state staff with extensive California-specific project management experience.

6.4.1 **CDSS Roles and Responsibilities**

6.4.1.1 Project Sponsor

CDSS is the designated Project Sponsor for the EBT Project. CDSS is responsible for program and policy decisions, and the development of regulations. CDSS works closely with the EBT Project management, federal agencies such as the FNS, state control agencies, and other project participants to ensure all program policies are implemented and program goals and objectives are met. CDSS is an active partner in all aspects of the EBT Project.

6.4.1.2 Food Stamp Settlement and Reporting

The implementation of EBT in California will result in a change in how FSP authorizations are reported to FNS. In the current coupon environment, each of California's 58 counties receives food stamp coupons directly from the federal government. Each county manages its coupon inventory independently and prepares federal reports (e.g., FNS 46) at the county level. In the coupon environment, CDSS compiles federal reports to present a state-level view, but basic responsibility for managing the inventory and notification of authorizations is a county-level responsibility.

In effect, with coupon issuance each county function like an independent state with respect to management of the coupons. FNS has instructed the state that under EBT there will be one letter of credit for the state, and FNS expects state level reporting for food stamp benefits. Consequently, as EBT is implemented in each county, a shift in responsibility between the county and the state will occur. CDSS will be responsible for managing the FSP letter of credit and for the reconciliation and reporting of FSP activity to FNS.¹ A more detailed discussion of this change will be provided in the Settlement and Reconciliation Guide.

6.4.2 HHSDC Roles and Responsibilities

6.4.2.1 EBT Project Team Roles and Responsibilities

HHSDC is responsible for the entire lifecycle of the EBT Project, from inception of the project through the duration of the operational phase and transfer to a successor system. HHSDC will manage this effort by assigning a full-time dedicated EBT Project Team. The EBT Project Team's role is all-inclusive in scope. Under the guidance of the Project Sponsor, the EBT Project Team is delegated the responsibility to manage all aspects and phases of the EBT project. The EBT Project Team has been in place since the initial definition of requirements and development of the ITP.

The EBT Project Team fulfills two distinct roles: contract management and oversight of county efforts. EBT is a statewide system collectively serving the benefit-delivery needs of all counties. The EBT contract is an agreement between the state and CEFS. Only the state can direct CEFS in the provision of EBT services. The counties have no direct authority or control over CEFS or the EBT system other than through the state. Essentially, the EBT Project Team is responsible for managing CEFS performance, the contract, and directing the operations of the EBT system on behalf of the counties that will depend upon the system.

Only the state can direct CEFS in the provision of EBT services. The counties have no direct authority or control over CEFS or the EBT system other than through the state.

The EBT Project Team includes a Project Director and state staff and consultants responsible for all aspects of contract management and ongoing project management. During implementation, the EBT Project Team will include two Assistant Project Managers, an Implementation Manager, and consultants specializing in managing all aspects of the implementation effort.

A high-level list of responsibilities of the EBT Project Team include the following:

- Project management
- Contract management
- Readiness support

¹ San Bernardino County and San Diego County will continue to manage separate EBT letters of credit until they migrate to the statewide system.

- Implementation support and oversight
- Training support and oversight
- Change management
- Risk management
- Project communications
- Monitor interface development and certification
- Oversee retailer management
- Oversee system testing
- Deliverable review and acceptance
- Problem resolution
- Project status reporting

6.4.2.2 Regional Implementation Teams

During statewide implementation the EBT Project Team will be staffed to include Regional Implementation Teams. These Regional Implementation Teams will be onsite in the field to support the efforts of CEFS and counties in each implementation region. The Regional Implementation Teams will be deployed according to the statewide implementation schedule, and will have direct responsibility for managing CEFS delivery of services in the counties, as well as overseeing the counties' efforts. The Regional Implementation Lead and the Retail and Benefit Access Coordinator

The Regional Implementation Teams will be deployed according to the statewide implementation schedule, and will have direct responsibility for managing CEFS's delivery of services in the counties, as well as overseeing the counties' efforts.

assigned will be onsite to assist the county as required, and will be active participants in all meetings and events. These individuals are intended to be primary resources to the county during the readiness phase. The state Implementation Manager will supervise the regional teams, each of which will consist of the following members:

- **Regional Managers** – Regional Managers are responsible for assuring EBT is successfully implemented in each county in their regions. They will ensure all county implementation activities are coordinated across the region and are completed in accordance with the implementation plan and schedule
- **Regional Implementation Leads** – Regional Implementation Leads are responsible for assuring EBT is successfully implemented in each county they are assigned. They will ensure all county implementation activities are coordinated across the county and are completed in accordance with the implementation plan and schedule.
- **Retail and Benefit Access Coordinator** – Retail and Benefit Access Coordinators are responsible for assuring EBT Retail and Cash Access is

adequate for each county that they are assigned. Working closely with the Regional Implementation Manager and the Benefit Access Workgroup, this position is responsible for coordinating and communicating with local retailers and overseeing CEFS retailer recruitment and management efforts.

7 County EBT Decisions

IN THIS SECTION:

There are several areas in which the county will have options as to how to implement EBT. This section describes decisions the county will make regarding conversion to EBT and ongoing EBT operations.

- Cash EBT impacts
- Cash stagger
- Over-the-counter or mail-based client conversion and training (Pros and Cons)
- Languages for training materials
- Conversion and training for clients with special needs
- Training for county staff
- Card issuance for new cases
- Replacement card issuance

The implementation of EBT in California will require a broad range of changes for the state, counties, clients, and retailers. Many of these changes are pre-defined by the functional and operational characteristics of online EBT systems and the commercial infrastructure upon which EBT relies. Other changes are defined by the requirements established for the EBT system as detailed in the ITP. For the state and counties, the way in which change is accomplished will require a myriad of decisions. For the most part, these decisions are minor business decisions that are relatively straightforward in nature and do not entail any significant operational impacts. In other cases the decisions the county must make will have profound impact not only on the county, but also upon other stakeholders. This section describes the primary decisions the county will face in the readiness phase and additional information to provide context for these decisions.

The ITP allows some county flexibility in the implementation of EBT. From the experience of other states we know there is more than one way to successfully transition to EBT. Because of the broad scope of the impact of these decisions, it is

essential the decision-making process be a partnership effort between the county, the state, and CEFS to ensure all potential impacts have been identified and evaluated.

EBT will be a statewide benefit issuance system; therefore a careful discussion of the implications of county decisions on statewide operations is relevant. In many situations, mutual agreement on options may be beneficial to all counties and clients, as it would provide simplicity and consistency on a statewide basis. This should result in a better system, which in turn results in better-served clients.

The decisions the county will make fall into two major groupings: conversion-specific activities and ongoing business operations. There is some overlap in these areas and many of the issues are interrelated or run in parallel. For example, while CEFS will train clients and issue cards for the conversion caseload, the county will provide the same services for ongoing operations.

The decisions the county will make fall into two major groupings: conversion-specific activities and ongoing business operations.

At the beginning of each county's readiness phase, CEFS will provide the county with a county-specific Workplan detailing the tasks, responsibilities, and timeframes for all EBT activities including the specific decisions related to the county options that are detailed in this section. There will be additional county decisions resulting from completion of the tasks identified in the Workplan that are not addressed in this guide.

7.1 Cash EBT Impacts

California EBT law mandates the use of EBT for the distribution of food stamp benefits and allows counties the option to issue certain cash benefits via EBT. Individual counties have the option to use EBT to distribute CalWORKs, Refugee Cash Assistance, Entrant Cash Assistance, Cash Assistance Program for Immigrants (RCA/ECA, CAPI) and/or GA/GR benefits. The actual decision on whether to utilize EBT for cash benefit issuance will have already been made by the county at the time this guide is published. This section focuses on some of the additional factors that must be dealt with if a county has decided to use EBT for cash benefits. For further information regarding the initial cash decision please refer to the training materials that were distributed to each county at the cash decision training presented on May 31, 2001.

The cash benefit types that will be available for issuance via EBT include: CalWORKs monthly grant and supplemental payments, homeless assistance benefits, aid paid pending, Cal-Learn \$100 bonus payments, recurring and nonrecurring special needs, RCA grant payments, CAPI grant payments, and GA/GR grant payments. The cash benefits that will not initially be included in EBT include: Cal-Learn \$500 bonus payments, Foster Care, vendor payments, child support disregard and pass-on payments, Welfare-to-Work (WTW) diversion payments, and WTW supportive service payments. This means that some warrant production infrastructure must be maintained by the county to support those payments that are not supported by cash EBT.

Cash Payments in EBT

| Cash Payments Included in EBT | Cash Payments Excluded from EBT |
|--|---|
| CalWORKs - Monthly grant and supplemental payments - Homeless assistance benefits - Aid paid pending - Cal-Learn \$100 bonus payments - Recurring and nonrecurring special needs RCA grant payments CAPI grant payments GA/GR grant payments | Cal-Learn \$500 bonus payments Foster Care Vendor payments Child support disregard and pass-on payments WTW diversion payments WTW supportive service payments |

7.1.1 Direct Deposit and EBT

EBT and direct deposit are two different methods that a county can use to electronically issue cash welfare benefits. A county may use both methods to issue benefits to its client population, as they are not mutually exclusive. Direct deposit is only a partial solution to the movement away from paper-based warrant issuance and towards electronic funds transfer, as many CalWORKs and/or GA/GR clients do not have bank accounts.

If a county has a direct-deposit option for clients, each month the county will initiate an electronic funds transfer from the county's bank to the individual bank account of each participating client. The clients then have access to their cash benefits directly from their personal checking or savings account. Each client will choose whether to participate in direct deposit, (and maintain a personal bank account in order to have benefits directly deposited) or elect not to participate in direct deposit (and have their cash benefits delivered via the county's current benefit delivery method (i.e., warrants or online issuance) or through EBT, depending on the county's decision to participate in cash EBT).

7.1.2 Cash Access Plan Evaluation

The following discussion goes beyond readiness decision-making, but is presented due to the interest counties have shown in understanding cash access.

An objective of cash EBT is to ensure clients have reasonable access to their cash benefits. The access must allow the opportunity for clients to access their full benefit amount in order to meet their financial obligations, such as rent, within the first four transactions per month. An additional goal is to ensure that clients have access to any remaining benefits at a reasonable cost to the client.

For each county that selected to use EBT for cash benefit issuance, CEFS is required to develop a cash access plan following specific requirements and criteria defined in the ITP and the contract. The development, review, and adoption of this plan will be a cooperative effort between CEFS, the state EBT Project Team and the county.

The county will provide key input to this plan by providing county-specific information regarding cash access points that would be beneficial to its client population, (e.g., locations where clients currently cash warrants, local housing authorities, and areas where client populations are concentrated). The cash access plan will outline the CEFS solution to ensure reasonable cash access that meets the needs of the clients. The plan must demonstrate that there is sufficient capacity to meet the expected demand for cash within each zip code, and will provide cash access location maps by zip code. The county cash access plan is a deliverable CEFS will submit in draft to the state at the beginning of the planning and installation phase for each county, five months before conversion is scheduled to begin in the county.

The county will have the opportunity not only to participate in the development of the cash access plan but also participate in the review and acceptance of the plan once it has been developed. As part of this review process, the county may wish to solicit community input from organizations representing and serving clients, such as clients, advocate groups, and community-based organizations. The county's feedback will be incorporated with other review comments and provided to CEFS who will correct deficiencies in the plan as necessary and then submit the revised plan for final approval. The state will formally accept or reject the cash access plan working in close partnership with the county and CDSS. The cash access plan must be approved before conversion is allowed to begin in the county.

The county will provide key input to the cash access plan by providing county-specific information regarding cash access points that would be beneficial to its client population.

If CEFS is unable to develop a plan that is satisfactory to the state according to the terms of the contract (in consultation with the county), implementation of cash will be delayed until such time as a satisfactory plan can be developed. Subsequently, if CEFS cannot achieve the full objectives of the plan when actual recruitment of acquirers occurs, cash implementation cannot proceed. This decision will be one of many deciding factors in the "go/no-go" decision that will occur for each county approximately 30 days prior to the date scheduled for conversion. A no-go decision could be a temporary schedule delay while additional cash access points are recruited or a fundamental decision not to do cash EBT. By that point, the commercial marketplace may have made significant business decisions and investment in anticipation of its role in cash access.

As cash access will not be a static point-in-time consideration, the county-specific cash access plan will be updated by CEFS at least twice a year. Each time the plan is updated, the county will have the same review opportunities and responsibilities.

7.1.3 Cash-Stagger Requirements

State law requires that CalWORKs benefits delivered via EBT will be staggered over the first three calendar days of the month. There may be some exceptions to the stagger requirement for small counties that request a waiver from CDSS. A county that elects to use EBT for GA/GR benefits is required to stagger issuance over at least the first three calendar days of the month; however, those benefits may be staggered over a longer period at the county's discretion.

The three-day stagger for cash benefits is required in order to assure adequate cash availability for clients and to reduce the transaction traffic on both the EBT system and cash-access points on the first day of the month. Other states that implemented EBT without staggering benefit issuance found that lines at retailers and ATMs significantly increased on the first issuance day which had a negative impact on banks, retailers and clients. The acceptance of EBT by any bank or retailer is directly influenced by the impact EBT has upon its operations.

7.1.3.1 Case-by-Case Exemption for Hardship

State law allows counties to exempt individual clients from the three-day stagger requirement on a case-by-case basis for hardship including, but not limited to, the incurrence of late charges on an individual's housing payments. The county will need to determine what constitutes "hardship" for the county and develop a procedure for individual clients to be exempted from the normal stagger pattern for cash issuance. Decisions regarding the county-specific procedures and criteria for case-by-case exemption from the cash stagger should be made during the time the county reviews the cash access plan. County-specific information regarding how to request an exemption should be included in the cash-stagger notification sent to clients.

7.1.3.2 Case-Stagger Methodology

The determination of how cases will be staggered for issuance of both cash and food stamp benefits is an issue that has a statewide impact on EBT operations. For example, the CEFS Customer Service Center may have a difficult time assisting clients with questions about benefit availability if counties use different methodologies in determining how the caseload will be staggered for benefit issuance. In order to minimize client confusion (and resulting calls to the CSC) and maximize the efficiency of the CSC, a statewide was developed. The actual method of staggering for both cash and food stamp benefits was standardized statewide as determined by the CWDA EBT policy group. If the county's stagger methodology differs from the standardized statewide methodology, the county will need to determine what procedural and/or eligibility system changes are required.

Food Stamp benefits will be staggered over the first ten calendar days of the month. The last digit of the case number will determine the day when benefits will be issued for a case, using one number for each issuance day.

| Last Digit of Case # | Availability Date |
|----------------------|-------------------|
| 1 | Calendar Day 1 |
| 2 | Calendar Day 2 |
| 3 | Calendar Day 3 |
| 4 | Calendar Day 4 |
| 5 | Calendar Day 5 |
| 6 | Calendar Day 6 |
| 7 | Calendar Day 7 |
| 8 | Calendar Day 8 |
| 9 | Calendar Day 9 |
| 0 | Calendar Day 10 |

CalWORKs benefits will be staggered over the first three calendar days of the month. The last digit of the serial number* will be used to determine the issue date as follows:

| Last Digit of Case # | Availability Date | Percentage |
|----------------------|-------------------|------------------------|
| 1-3 | Calendar Day 1 | 30% of benefits issued |
| 4-7 | Calendar Day 2 | 40% of benefits issued |
| 8-0 | Calendar Day 3 | 30% of benefits issued |

GA will be staggered a minimum of three days with county discretion to stagger up to ten days, but no more than ten.

7.1.3.3 Client Notification of Benefit Stagger

To minimize confusion regarding benefit availability dates, clients must be adequately informed of when their benefits will be available to them under EBT. The county may want to consider early notification so that impacted clients have as much advance notice as possible. Benefit availability information should also be made available on an ongoing basis to new applicants to ensure they know when their cash and/or food stamp benefits are available through the EBT system.

7.1.4 Cash Settlement

EBT settlement is the process whereby CEFS moves funds from the government's funding account to the acquirers' (retailers and/or ATM owners) accounts. For cash program settlement the county has a direct responsibility and an active role in facilitating daily cash settlement, as the county is the government entity that holds the cash funds. The CWD must work closely with the county treasurer and auditor to ensure new or changes settlement business processes are clearly defined. More information regarding specific settlement responsibilities and activities is provided in the Settlement and Reconciliation Guide that is being developed by the EBT Project Team.

7.2 Conversion Specific Activities

The basic task required for client conversion is to physically place the EBT card and PIN into the possession of each client that should have access to an EBT account and to train the client on how to use the card. The goal of the conversion process is to prepare each cardholder to have a successful experience with the EBT system. The decisions each county makes regarding conversion activities directly affect the county's ability to meet this goal. Successful conversion will enhance the acceptance of EBT as a viable benefit issuance and redemption system among clients and other stakeholders.

The goal of the conversion process is to prepare each cardholder to have a successful experience with the EBT system.

This section describes the options to evaluate and decisions to make that relate specifically to the initial conversion from paper-based issuance to EBT. The major tasks associated with the conversion effort are the issuance of EBT cards and PINs to clients and training on the use of the EBT system.

There are two distinct strategies that can be chosen to accomplish conversion: an over-the-counter method or a mail-based method. Using the over-the-counter method, clients will report to a designated location to receive their EBT card, receive training and select a PIN. Using the mail-based method, clients will be mailed an EBT card and training materials; an associated PIN will be mailed separately. The advantages and disadvantages of each method are discussed in later subsections of this guide.

There are several conversion-related responsibilities and decisions the county must undertake regardless of the chosen conversion method. Tasks such as the creation and transmission of a standard conversion file, the decision on how to stage conversion, determination of what languages training materials are needed in, and the acquisition of adequate training facilities are county responsibilities that must be completed prior to case

There are two distinct strategies that can be chosen to accomplish conversion: an over-the-counter method or a mail-based method.

conversion.

7.2.1 Conversion Data File

The county will provide CEFS with a standard conversion file(s) that contains all necessary client demographic and benefit data. Creation and testing of this file will be done during the planning and installation phase. Transmission of the first conversion file will occur 45 to 60 days preceding the actual start of conversion. Counties will need to ensure their information systems department or eligibility system contractor is aware of this additional interface development work so it can be appropriately scheduled. An Interface Guide is being developed that will provide complete details about the design and development of this conversion file as well as the standard interface specifications to be used.

CEFS will use the conversion file(s) for initial account set up and mailing training information and appointments to clients. CEFS will work with the county to determine the appropriate timing for creation and transmission of the conversion file(s).

To ensure clients receive training information and appointment letters in a timely manner, the county may want to validate the clients' mailing addresses prior to the creation of the conversion file to ensure client addresses are correct in the eligibility system. This validation effort should begin at least 60 days prior to the creation of the first conversion file.

7.2.2 Facilities Acquisition

Each county is responsible for locating and acquiring appropriate facilities for conversion card issuance/client training sites. Based on the projected level of card issuance activity, CEFS will provide recommendations as to the number of issuance locations and site and telecommunication requirements. The county will determine where over-the-counter conversion card issuance activities will occur and if they will occur in county offices or at offsite locations. It is the responsibility of the county to secure appropriate sites for conversion activities. If a county incurs costs for the use or set up of off-site facilities, the state will reimburse counties for the actual costs of the facilities for the duration of conversion activities. The county Workplan will specify the date by which training facilities must be in place. The county will need to determine the appropriate lead time to ensure sites are located and procurement activity (if necessary) is accomplished so as to avoid any risk that the site(s) will not be available when needed. The state will be responsible for review and final approval of the sites selected by the county for conversion activities. A formal submittal and review process will be developed by the state and provided to counties.

For a mail-based conversion, the only facility requirements are for temporary walk-in training facilities. The county is responsible for determining the location of the walk-in training sites as well as securing facilities and providing furniture, telephone, and electrical line installation, as necessary. The process of securing necessary facilities should begin once the county has made its conversion methodology decision. The site requirements for walk-in facilities are the same as those for over-the-counter conversion

facilities. The number of days and number of sites that the walk-in facilities will be operated by CEFS will be provided to each county when the final implementation schedule is developed.

7.2.2.1 Conversion/Training Site Requirements

CEFS prepared the following estimates for space requirements for large, medium, small and very small conversion and training sites.

It is the county's responsibility to ensure the acquired conversion facilities meets the CEFS requirements including storage, furniture, and telephone and electrical line installation. The county will need to assess the availability of adequate facilities to be utilized on a short-term (one to three months) basis as well as determining what geographic areas should host conversion card issuance facilities in order to be accessible to clients.

Site Requirements

| | <i>Large</i> | <i>Medium</i> | <i>Small</i> | <i>Very Small</i> |
|--|---|---|---|---|
| Clients/Hour | 60/hour | 40/hour | 30/hour | 15/hour |
| Training Rooms (square footage) Not including hallways, lobbies or other waiting areas | 2,000 sq. ft. | 1,800 sq. ft. | 1,600 sq. ft. | 1,400 sq. ft. |
| Chairs Staff, waiting, and classroom areas | 140 | 100 | 60 | 30 |
| Tables (8 foot) | 1 Check-in 2 POS 2 PIN select 1 Client material | 1 Check-in 2 POS 2 PIN select 1 Client material | 1 Check-in 1 POS 2 PIN select 1 Client material | 1 Check-in 1 POS 1 PIN select 1 Client material |
| Equipment | TV/VCR (2 – 4) | TV/VCR (2 – 4) | TV/VCR (1 – 2) | TV/VCR (1) |
| Storage (Cards and office supplies) | Locking closet or small office (20 sq. ft. minimum) | Locking closet or small office (20 sq. ft. minimum) | Locking closet or small office (20 sq. ft. minimum) | Locking closet or small office (20 sq. ft. minimum) |
| Site Security | Average office locks | Average office locks | Average office locks | Average office locks |
| Crowd Control Security | 2 uniformed guards or county measures currently used | 2 uniformed guards or county measures currently used | 1 uniformed guard or county measures currently used | 1 uniformed guard or county measures currently used |
| Telephone Lines | 6 Analog dial-up | 5 Analog dial-up | 3 Analog dial-up | 3 Analog dial-up |
| County Support Staff | 3 – 4 | 2 – 3 | 1 – 2 | 1 |
| Electrical | Standard 120 | Standard 120 | Standard 120 | Standard 120 |
| Lighting | Dimmable/off in video viewing area without affecting other check-in/POS functions | Dimmable/off in video viewing area without affecting other check-in/POS functions | Dimmable/off in video viewing area without affecting other check-in/POS functions | Dimmable/off in video viewing area without affecting other check-in/POS functions |
| Room Dividers | Waiting/classroom areas should be isolated from room noise | Waiting/classroom areas should be isolated from room noise | Waiting/classroom areas should be isolated from room noise | Waiting/classroom areas should be isolated from room noise |

7.2.3 Languages for Training Materials

The county will determine which of the eleven available languages are needed for training materials and what percentage of their caseload falls into each of the selected language groups. Training materials shall be provided according to the requirements of the county. The accuracy of the primary language indicator recorded in the eligibility system will be very important in ensuring the client is provided training information in the correct language.

Training materials will be available in English, Spanish, Mandarin, Vietnamese, Cambodian, Russian, Hmong, Eastern Armenian, Lao, and Farsi.

7.2.4 Conversion Method

There are two distinct strategies that can be chosen to accomplish conversion: an over-the-counter method or a mail-based method. Each method has pros and cons that the county should carefully consider prior to making a final decision. The conversion-method decision is critical, as it drives many other activities that must be undertaken to ensure an efficient conversion operation. The county must make this decision as soon as possible but no later than the beginning of its readiness phase.

7.2.4.1 Over-the-Counter (OTC) Conversion

For a county that chooses the OTC conversion option, CEFS will issue EBT cards to clients in person at county-designated locations. CEFS will mail a training package to each designated cardholder with a prescheduled appointment to report to a designated card issuance location to receive their EBT card, select a PIN and receive training. Clients will be able to reschedule the appointment time and date in the event of a scheduling conflict.

At the time of their scheduled appointment, the client will check in at the card issuance facility and will be asked to provide acceptable identification. After viewing the "How to Use EBT" video, a group trainer will discuss EBT and instruct the clients on the use of their cards. Following this instruction, each client will be handed his or her embossed card and instructed to proceed to the next available PIN selection terminal. Before clients select their PIN, they will receive specific instruction on why the PIN is important and why it must be kept secret. They will swipe their EBT card through a PIN selection device to select a PIN and activate the card. For clients who may need further assistance, POS terminals and ATM-like posters will be provided to guide the client on the use of the card. Each training session will last approximately one hour.

CEFS will develop a schedule for card issuance and PIN selection that is designed to control client flow and track attendance. The county will receive a report of clients that did not attend their scheduled appointment. At the time of card issuance, CEFS will require the client to provide valid identification and will have them sign for the receipt of the card.

CEFS is responsible for the staffing of the card issuance sites. It is recommended that where possible, county staff members assist CEFS in the OTC card issuance/PIN selection and training assistance during the conversion activities to become familiar with the processes involved, as counties will be responsible for ongoing card issuance and client training.

7.2.4.2 Mail-Based Conversion

For a county that chooses mail-based conversion, CEFS will mail EBT cards, training materials, and PINs to clients. “Active” cards will be mailed, which means the EBT card is linked to a specific EBT account and a PIN has been assigned and linked to the card. The assigned PIN will be mailed two to three days after the mailing of the cards. Clients will have the option to change the PIN that was assigned to them by either coming into a designated county facility or utilizing the (ARU). Information on how to select a PIN will be included with the training materials mailed to each client by CEFS.

CEFS will provide, for a limited duration, walk-in training centers to support mail-based conversion activities. With the card mailing, clients will be informed of walk-in training locations and hours where they can drop in to get additional training materials, view a training video, practice a POS transaction and/or select a personal PIN. Each county is responsible for locating and acquiring appropriate facilities for the walk-in training centers.

CEFS will also provide training support via a toll-free training support ARU, separate from the statewide customer service center number. Clients will be notified of the toll-free Training ARU number along with card and training materials mailing. The Training ARU will provide client assistance 24-hours per day, seven days a week during the conversion period. The Training ARU will address the most important training topics to assist a cardholder in using the EBT system:

- How to obtain face-to-face training if desired.
- How to perform a food stamp transaction.
- How to perform a cash transaction.
- How to determine benefit availability date.
- How to conduct a balance inquiry.
- How to report a lost, stolen, or damaged card.
- How to properly care for and use the card and PIN.
- How to request card and/or PIN replacement.

7.2.4.3 Conversion Methodology Considerations

The following table summarizes the pros and cons of each conversion method to provide counties with a basic contrast between the two conversion options. The table reflects the general experiences of states have used these methods. These pros and

cons are not absolutes. Outcomes are influenced by the specific approach that the state used and the degree to which the state managed the process.

Mail-Based Conversion – EBT training materials, card and PIN are mailed to clients by CEFS. Walk-in training facilities are provided for a limited time for those clients who chose to use this service.

Mail-Based Conversion Pros and Cons

| Pros | Cons |
|---|--|
| <ul style="list-style-type: none"> • Conversion can be accomplished faster. <ul style="list-style-type: none"> - Mailing cards and PINs can be done in a much shorter period of time than having each client attend a face-to-face appointment to be trained, receive their card, and select a PIN. - Mail-based conversion more easily supports a single point-in-time caseload cutover to EBT. - Least disruptive to county operations and limits county conversion workload because CEFS handles mailing of training materials, cards, and PINs to clients. - Limits county responsibilities and involvement in conversion activities. | <ul style="list-style-type: none"> • County is not as engaged in the implementation/conversion process. <ul style="list-style-type: none"> - The county may not be as prepared to handle ongoing operations if they have not participated side-by-side with CEFS in the initial client training and card issuance processes. - Conversion may be perceived as solely a CEFS responsibility instead of a joint undertaking intended to ensure the county's clients receive their EBT training and cards timely and efficiently. |
| <ul style="list-style-type: none"> • Most convenient for clients. <ul style="list-style-type: none"> - Card/PIN is mailed directly to client's address. - Trip to designated card issuance facility is not required. - Doesn't disrupt working clients by requiring them to attend a scheduled appointment to pick up card and select PIN. - Clients without transportation or childcare are not inconvenienced. | <ul style="list-style-type: none"> • Face-to-face training is not required for all clients. <ul style="list-style-type: none"> - Potential lack of client understanding when only written training materials is provided due to potential language barriers, comprehension, or literacy issues. - Many clients fail to read the training materials. - Most adults do not learn best by merely reading training information. |
| <ul style="list-style-type: none"> • Walk-in training and ARU training will be available to the clients during the conversion process. <ul style="list-style-type: none"> - Clients can choose to attend training sessions at walk-in training centers. - A toll-free number will be available to access a specific training ARU clients can use at their convenience. | <ul style="list-style-type: none"> • Clients most in need of walk-in training may be the least likely to recognize the need or use the service. <ul style="list-style-type: none"> - Clients will determine the level of hands-on training regarding use of the EBT card and system. - Only those clients who choose to utilize the walk-in training centers will have experienced face-to-face training. |

| Pros | Cons |
|---|---|
| | <ul style="list-style-type: none"> - Does not allow for a face-to-face evaluation of the client's understanding/ability of how to use the EBT card for those clients who do not choose to come into a walk-in training center. |
| <ul style="list-style-type: none"> • There is no appreciable difference between clients trained by mail and those trained OTC once clients have used the system for 60 days. | <ul style="list-style-type: none"> • Clients may be less prepared for first-time card usage because of lack of hands-on training. <ul style="list-style-type: none"> – Some client training will fall to retailers, resulting in potential slowdown of checkout lines. – Less prepared clients may cause increased frustration on the part of clients, retailers, and the general public, which may in turn result in a less favorable first impression of EBT. – Negative publicity may be generated if there is an increased sense of public frustration and visibility of problems. |
| <ul style="list-style-type: none"> • CEFS will provide reports of cards not used immediately after issuance, so the county can identify clients who may be having access problems. | <ul style="list-style-type: none"> • County will not have documentation of the client's attendance at training and his/her receipt of the EBT card. <ul style="list-style-type: none"> - Makes monitoring of conversion process more difficult as the county doesn't know if the client has actually taken possession of the card and PIN. - In the event of a client dispute, fair hearing or other allegation of card misuse, the county is unable to prove the client took possession of the card. |
| | <ul style="list-style-type: none"> • Potential mail losses/returns if cards are mailed to incorrect addresses. <ul style="list-style-type: none"> - Clients may not receive their EBT card, PIN, and training materials if the county does not have a correct address in the eligibility system. |
| | <ul style="list-style-type: none"> • Security for mailed cards and PINs. <ul style="list-style-type: none"> - There is no opportunity to identify the person who takes possession of the card and the PIN. - Clients are less likely to sign the back of the card (signature substitutes for PIN in an offline transaction). |

| Pros | Cons |
|------|---|
| | <ul style="list-style-type: none"> - Active EBT cards will be mailed. While fraud related to lost or stolen mail has proven negligible in states that have mailed cards, a higher risk is clearly present. |

Over-the-Counter Conversion – Training materials and an appointment letter are mailed to clients. Clients attend their scheduled appointment, have the opportunity to receive EBT-specific training, and are issued their EBT card and select their PIN. EBT system experts (who are familiar with training client populations on the use of the EBT system) conduct this training.

Over-the-Counter Conversion Pros and Cons

| Pros | Cons |
|---|--|
| <ul style="list-style-type: none"> • County is more engaged in the implementation/conversion process. <ul style="list-style-type: none"> - Conversion becomes a joint undertaking between the county and CEFS to ensure the county's client population receives their EBT training and cards timely and efficiently. - The county is better prepared to handle ongoing EBT operations if it participated side-by-side with CEFS in the initial client training and card issuance processes. | <ul style="list-style-type: none"> • Highest impact county operations. <ul style="list-style-type: none"> - County is responsible to find and acquire appropriate conversion training facilities. - If the conversion training and card issuance is conducted at the CWD office site, operations may be disrupted by the client traffic through the office. - County staff involvement in the actual training and card issuance processes may be necessary. - Clients may contact their eligibility worker with questions about EBT, the training materials, or their scheduled card issuance appointment. |

| Pros | Cons |
|--|---|
| <ul style="list-style-type: none"> • Face-to-face training is required for all clients. <ul style="list-style-type: none"> - Most adults learn best when they have the opportunity to hear, see, and then perform the activity they are being trained on. - Allows for a face-to-face evaluation of the client's understanding/ability to use the EBT card. Those who have difficulty can be referred for more training. | <ul style="list-style-type: none"> • May be inconvenient or disruptive for clients. <ul style="list-style-type: none"> - Many clients will be familiar with debit-card technology and capable of using EBT without hands-on training. - Working clients may be disrupted by having to physically attend the training session. (Note that evening and weekend sessions will be provided.) - Clients who lack adequate transportation and/or childcare may encounter hardships in getting to the scheduled appointment. - Clients with physical or mental limitations may be unable or unwilling to attend their scheduled card issuance appointment. |
| <ul style="list-style-type: none"> • Clients will have the opportunity to select their own PIN. <ul style="list-style-type: none"> - The probability the client can and will put the PIN to memory is greatly enhanced by selecting a PIN with personal meaning. - Reduces the chance the client will have the PIN written down in their wallet. (System-generated PINs often are carried together with the card despite warnings not to do so.) | <ul style="list-style-type: none"> • Clients may ignore recommendations to select a PIN that is not reflected of their birth date, telephone number, house number etc., and select a PIN that could be guessed if their wallet is stolen. |
| <ul style="list-style-type: none"> • Clients will be better prepared for first time card usage. <ul style="list-style-type: none"> - While more client effort is required for OTC, the extra effort may be in the best interest of some clients. - Clients will be more successful using the card at retail locations. - Should result in less slowing of retailer checkout lines or ATM lines. - More prepared clients may result in increased acceptance of the system on the part of all stakeholders including clients, retailers, and the general public, which may in turn result in a more favorable impression of EBT. | <ul style="list-style-type: none"> • Conversion activities will take longer to complete. <ul style="list-style-type: none"> - Having each client attend a face-to-face appointment to be trained, receive his/her card, and select a PIN will require a longer timeframe to complete. (Although this does not necessarily suggest a multiple month conversion is necessary.) - It may be difficult to complete OTC card issuance in time to support a single point-in-time caseload cutover to EBT. Conversion may need to be staged in multiple sessions to accommodate face-to-face training and card-issuance activities. |

| Pros | Cons |
|---|--|
| <ul style="list-style-type: none"> - A favorable impression of EBT may generate positive publicity, which will increase the sense of public acceptance and ease the transition from a paper-based system to EBT. | <ul style="list-style-type: none"> - Should conversion extend for one or more additional benefit months, this means dual issuance systems and processes will have to be supported and maintained. |
| <ul style="list-style-type: none"> • Security for card issuance and PIN selection is increased. <ul style="list-style-type: none"> - Clients must provide acceptable identification before receiving a card and selecting a PIN. - Clients will be asked to sign for the receipt of their EBT card. - Clients will be asked to sign the back of the card during the issuance process. - Clients are verbally reminded to keep their PIN secret and not write it on the card sleeve. | |
| <ul style="list-style-type: none"> • County will have documentation of the clients' attendance at training and their receipt of the EBT card. <ul style="list-style-type: none"> - Counties can monitor card issuance appointment attendance and be proactive in contacting clients who do not attend scheduled appointments. | |
| <ul style="list-style-type: none"> • Flow of clients is more controlled resulting in a more efficient use of staff, less waiting for clients, and less congestion at facility. | |

7.2.5 Conversion Strategies for Special Needs Client Populations

Certain client populations may have special needs that should be considered during the conversion planning process. Some of these populations include homeless clients, homebound clients, clients in group living facilities, and authorized representatives. While specialized needs are not necessarily a barrier to EBT conversion, separate conversion strategies may need to be developed to meet the needs of these populations especially in the areas of conversion notification, scheduling, and client training.

CEFS does not know which of the county's client's fall into specific special-needs populations. The county is the only one who has this level of knowledge about its client populations and must provide this specific information to CEFS to facilitate specialized conversion planning. Identification of clients that may need an adapted conversion process may entail a case-by-case review.

7.2.5.1 Homeless Conversion Strategy

Each county must determine how to convert homeless clients from paper-based benefit issuance to EBT. Whether the county elects to do mail-based or OTC card issuances for conversion to EBT, clients are contacted by mail. Homeless clients may not have reliable mail delivery and, therefore, a contact strategy must be devised to ensure the homeless population is adequately informed of EBT conversion activities. One strategy is to convert homeless clients, or provide conversion appointment information, when they come into the office to pick up their monthly food stamp coupon allotment or Authorization to Participate (ATP). EBT information can also be placed in the envelope with the food stamps coupons or ATPs for food stamp clients, and with the monthly income report for cash-only clients. Procedures for the conversion of homeless clients should be completed no later than the beginning of the planning and installation phase in a county.

7.2.5.2 Homebound Client Conversion Strategy

Another special population that must be considered when determining the scope of the conversion effort is homebound clients. These clients may not have the ability to come into a designated training location to pick up their EBT card or access additional training opportunities. Homebound clients who do not have an Authorized Representative (AR) will have their EBT card and a pre-assigned PIN issued via the mail and will have the opportunity to change their PIN via the ARU. Those counties who opt for OTC conversion will need to designate those clients who are homebound in order to ensure cards and PINs are mailed in a timely fashion.

7.2.5.3 Group Living Facilities Conversion

Group living facilities include federally subsidized housing for the elderly, drug and/or alcohol treatment rehabilitation centers, battered women shelters, foster family settings, and nonprofit shelters for homeless persons. Food stamp benefits are generally pooled at these facilities if they are FNS authorized, so the designated facility representative can redeem the coupons at a retailer, or the facility can be designated as an AR.

To support EBT usage in-group living facilities, CEFS will install a POS device in each FNS-authorized group living facility or homeless meal provider that meets the \$100 minimum monthly food stamp coupon redemption requirement. The client will use his/her EBT card at the POS to transfer the required amount of benefits to the facility. When the client leaves, the facility will execute a transaction to return any portion of the monthly allotment to which the client is entitled in accordance with federal and state regulations. POS devices deployed in the group living facilities may also be used to access cash benefits if the facility chooses to provide such a service.

Identification of those individuals who are group facility residents can allow them to be scheduled into specialized small group training sessions that will deal with specific group home rules and processes.

7.2.5.4 Conversion for Authorized Representatives

Clients can designate an AR who can be given access to their food stamp and/or cash accounts. The selected AR will be issued a separate EBT card and PIN, and will be given access to the benefit accounts as designated by the primary cardholder. It is extremely important that clients are advised that the AR needs to be a trusted person, as the AR will have access to the entire account balance for the designated benefit. The client will have the ability to limit the AR's access to either cash or food stamp benefits or can allow access to both types of benefit, but the EBT system cannot limit access to a limited dollar amount of the total benefit.

The CEFS OTC conversion process handles ARs no differently than other clients, but there are situations that must be addressed to minimize the impact on clients and/or their ARs. Many ARs carry their own EBT card to access their benefits as well as one or more cards on behalf of other clients. These individuals will not need to attend multiple training sessions (one for each card issued) so it is important that the designation of an AR be identifiable in the CEFS database. If the county eligibility system is capable of supplying this information it should be included in the standard conversion file. CEFS-designated trainers can then assist the AR in identifying all accounts that they are listed and provide them with all the cards at the same time they attend their initial EBT training session.

7.2.6 Community-Based Organization (CBO) Training

CBOs are a vital local resource in serving special needs populations such as the elderly, homeless, disabled and non English-speaking clients. Many CBOs already serve the same populations as the CWD and have developed a strong relationship with their clients. Each county will have the opportunity to designate a limited number of representatives of CBOs to receive EBT training that will be conducted by CEFS. Providing EBT-specific training to these organizations will prepare them to respond appropriately to client questions related to EBT; however, CBOs are not expected to provide any training to clients on EBT. The training is provided as a means to improve the overall knowledge of EBT among those who serve the client population and to ease the transition to EBT.

The state will allocate a limited number of CBO training sessions to each county. Each county will provide training facilities to accommodate this training, and will determine the methods to inform their CBOs of the training opportunity.

At a minimum, the training that will be presented to CBOs will consist of:

- Overview of federal EBT regulations and state law.
- General overview of EBT.
- EBT impacts on stakeholder groups (clients, retailers, counties).
- County conversion methodology and timeframes.
- Client training materials.

- Additional training assistance for clients.
- Services provided by the CSC.
- How clients should report lost, stolen or damaged cards.
- Card replacement and PIN selection procedures.
- Cash transaction fees.
- Client responsibility for card and PIN security.
- County contact for CBO questions.

7.2.7 Staff Training

CEFS is responsible for conducting initial staff training prior to implementation in each county. CEFS will develop a training plan and will train county staff that has primary responsibility for EBT activities. This will include training on administrative terminal functionality, card production, PIN selection, and EBT equipment. Function-specific training will also be provided in areas such as fraud, system security, settlement and reconciliation, system operations, and inventory control. CEFS will also provide general overview training to county trainers who will then be responsible to conduct general training sessions for county employees. Eligibility staff should receive overview training well before the issuance of EBT cards to clients.

Each county is responsible for securing training locations. In advance of conducting county staff training, CEFS will specify training site requirements including electrical and/or telephone line needs. This information will be provided to the county allowing for sufficient time for installations if needed.

To evaluate the county's specific requirements for training facilities and begin development of a training plan, a county should:

- Identify the training population(s) in the county.
- Determine if the training will be done at a county location or off site.
- Develop a plan and policy for travel to and from the classroom site if staff must travel.
- Develop a plan for office coverage during the training period.
- Develop a plan to assist individuals who may need training.
- Identify staff that will conduct ongoing trainings.
- Compile a list of possible training sites.
- Consider security issues if training will be conducted offsite.

7.2.8 Customer Service

CEFS is responsible for a full scope of customer services including a CSC and an ARU to provide responses to client and retailer questions. CEFS will provide customer support to clients via a toll-free telephone number available 24-hours per day, seven days per week. Customer service will be provided in ten languages: English, Spanish,

Cantonese, Vietnamese, Mandarin, Russian, Hmong, Eastern Armenian, Lao, and Farsi. The CSC and/or ARU will provide statewide customer service and will provide information and service on the following functions:

- Report a lost/stolen card
- Conduct a balance inquiry
- Review transaction history
- Inquire about account history
- Request a replacement card
- Change PIN
- Identify benefit access points
- Determine the number of cash withdrawal transactions used
- Report unauthorized card use

While clients are encouraged to call the CSC when necessary, it is also important for the county to be aware of the charges associated with client calls to the CSC. Beginning with the third month of operations in each county² all client calls to the CSC will be invoiced to the county using a per-call rate. While clients are encouraged to use the CSC when necessary, proper training and helpful information may result in better-informed clients and reduced need for ongoing calls to the CSC.

The county may wish to designate EBT experts in each office to handle EBT-related calls during the conversion/transition period. These experts should be well versed in the EBT system and the local eligibility system as well as the interface between the two systems. These EBT experts can provide assistance to other staff members or clients who have questions or difficulties with EBT processes. The county should develop policies and procedures for staff to follow if they receive telephone calls or other inquiries from clients or retailers with EBT-related issues or questions.

7.3 Ongoing Activities

Ongoing activities are those that occur once conversion has started in a county. These activities include the county's newly defined business processes for future card issuance and training for new clients, card replacement for clients whose cards are lost or destroyed, PIN selection for clients who wish to change their PIN, and food stamp coupon conversion for clients who move out of an area supported by EBT.

Ongoing activities include card issuance and training for new clients, card replacement, PIN selection, and food stamp coupon conversion.

² Beginning the eleventh month of operations in Los Angeles County.

7.3.1 Card Issuance (New Cases)

For card issuance on new cases or for new eligible household members, each county will have the option to issue cards and PINs OTC or pay CEFS to mail cards and PINs to clients. The county may elect its ongoing card issuance method on an office-by-office basis or even a case-by-case basis depending on the needs of the county. For example, the county may choose to have CEFS mail cards and PINs for some or all cases in one district office, but choose to issue cards OTC in another district office. Alternately, the county may choose mail-based card issuance overall, but choose to issue cards OTC due to individual circumstances such as immediate-need situations. Counties will need to have the ability to issue cards OTC for those situations where same-day card issuance is necessary to meet emergency or immediate-need issuance timeframes. The county is cautioned to carefully consider the ability to manage a card issuance process that entails a significant mixture of issuance processes.

7.3.1.1 Mailed by EBT Contractor

For each county that chooses mail-based card issuance, CEFS will mail cards and PINs to clients. PINs will be mailed separately along with instructions on how the client may change the PIN. A fee will be charged by CEFS to the county on per-unit basis for card and PIN issuance. Counties are responsible for client training after conversion, so distribution of training materials is a county responsibility.

For mail-based card and PIN issuance, CEFS will also provide, install, and maintain the equipment necessary to change PINs in one or more locations in each county. The county is responsible to determine the required number of PIN selection locations and where in each of those locations the equipment will be physically located. The client has the option of changing their assigned PIN at one of the designated county locations or via the ARU.

Counties using mail-based card issuance will also be equipped with the card embossing equipment and card stock to allow OTC issuance on a case-by-case basis to accommodate emergency situation timeframes. Once again, the county is responsible to determine the required number and locations for OTC card issuance.

7.3.1.2 Over-the-Counter Issuance

For the OTC card issuance option, CEFS will equip designated card issuance locations with card stock, and all equipment necessary to perform OTC card issuance and PIN selection. CEFS will provide, install, and maintain all required equipment. The county will determine the required number and location of card issuance sites.

The county must determine the office locations where card issuance and PIN selection will be available. Counties may want to consider current benefit issuance locations and decide if they provide adequate access for clients to obtain their EBT card and/or change PINs. Clients cannot access their benefits unless they have an activated EBT card and corresponding PIN; therefore, ensuring adequate access to card issuance facilities is critical.

The county is responsible for site preparations at each location where card issuance and PIN selection equipment is to be installed. County responsibility includes necessary space modifications, equipment security, furniture, power, and telephone lines as may be required to support the required EBT equipment. CEFS is responsible for coordinating site preparations with each county. The county will also need to develop procedures for card issuance activities as well as determine how it will manage and reconcile card stock inventories.

In addition to determining which office locations will have card issuance and PIN selection capability, the county must also determine specifically where in each of those locations the equipment is to be located. The equipment should fit into the operational flow of an office and provide for efficient card issuance and PIN selection by clients. The equipment should be in a physically secure location yet still accessible for the client interaction that is necessary. Depending on the location(s) selected in each office, space may have to be modified to accommodate the equipment security and/or client access, furniture may need to be acquired, and telephone and electrical lines may need to be installed. CEFS will provide, install, and maintain the necessary equipment but it is the county's responsibility to prepare the site for the equipment installation.

A typical EBT station might be setup in an office as follows:

- The client training video could play in the general reception area of the office or in a waiting area associated with the card issuance station.
- A service counter is the most effective office setup. The counter can have one or more stations which include: (1) a Personal Computer to allow administrative terminal access to the EBT system; (2) under the counter space to manage working card stock; (3) space on the counter for a PIN selection device accessible to both the clerk and client; (4) optionally a POS terminal to serve as a training tool and perform specific service transactions; and (5) a sign in and receipt log. Collectively, a minimum of four feet of counter length is needed.
- A safe or locking storage area for bulk card stock.
- Work space for card embossing equipment (should be near the service counter for easy access by the EBT Clerk).
- Storage area for training pamphlets.
- Security to limit both client and employee access to the card-issuance area after hours.

7.3.1.3 Combination of Issuance Methods

For some counties a combination of card issuance methods may be most effective. As stated above, counties may elect the card issuance method on a case-by-case basis depending on the needs of the individual client or status of the case. For example, a county may choose to issue the EBT card OTC on homeless cases, since they may not have a dependable mailing address. A county may also need to issue an EBT card OTC to meet the programmatic time requirements for expedited services or immediate need

cases. Counties may also wish to select the issuance methodology on an office-by-office basis especially for those offices where geographic remoteness is a factor.

7.3.1.4 Considerations

When the county is making the decision on card issuance methodology, several factors should be considered.

Ongoing Card Issuance Considerations

| Factor | Mailed by CEFS | Issued by County |
|-------------------------|--|--|
| Cost | The county will be invoiced on a monthly basis for the actual number of cards and PINs issued by CEFS. | Card and PIN issuance will be additional duties that will be assumed by the county. Additional staffing may be required to perform these duties. (Note: Card issuance stock will be supplied to the counties with costs covered in the monthly cost per case month.) |
| Card Issuance Timeframe | <p>CEFS will mail cards to clients with the PIN followed in a separate mailing. Cards must be delivered to the postal facility no later than the next business day following the receipt of the card issuance request by the county.</p> <p>This means that the client will not receive the card until at least two working days after CEFS has received the request. The client will not receive the associated PIN until one or two days after they receive the card. This means that the client could potentially not have access to their benefits for up to four or five working days after the county executes the request for card issuance. Note, however, that a new PIN is not required with issuance of a replacement card if the client knows the PIN and the security of that PIN has not been compromised.</p> | <p>The card can be issued to the client as soon as eligibility has been determined and the account has been set up in the EBT system. The county does not have to wait until a final determination if eligibility is made. The card can be issued; for example, at the point the client emerges from the eligibility interview so that the client does not have to make another trip into the office. (Assuming the eligibility worker has screened the application and the client appears to be eligible.)</p> <p>For those counties with a host-to-host interface between the eligibility system and EBT, account set up is a real-time, online electronic transaction. This means that a card can be issued to the client at virtually the same time as the eligibility is authorized.</p> <p>For those counties that use a batch interface, the card can be issued as soon as the account is set up either via the batch interface or through the administrative terminal.</p> |

| Factor | Mailed by CEFS | Issued by County |
|-------------------------|---|---|
| Timeliness ³ | The eligibility determination must be rendered with sufficient time to allow for mailing of the card and subsequent mailing of the PIN. | Issuing cards to applicants (after application but prior to a final determination of eligibility) allows the county to avoid untimely application processing. While some applicants will ultimately be denied, a post screening and eligibility interview reduces the incidence of cards issued to denied clients to a minimal level. There is no issuance risk involved since the account has a zero balance and any transaction attempted will be denied. |
| Client training | The county has the responsibility for ongoing client training even if the cards are mailed by CEFS. | The county has the opportunity to provide hands-on client training at the time the client picks up the card and selects a PIN. Counties can have the client view the EBT training video, receive written and/or verbal training materials, select their PIN and perform a balance inquiry. |
| Client convenience | The card and PIN will be mailed directly to the client so there is minimal impact to the client. | Depending on the processes adopted by the county, the client may be required to make an additional visit to the county office to pick up his/her card and select a PIN. This may not be convenient for working clients or those with transportation difficulties. |

7.3.2 Emergency Situations (Immediate Need/Expedited Services)

The EBT system will be able to provide same-day account set up, benefit authorization, and card issuance in order to provide same-day access to benefits as may be necessary to meet program requirements in the case of immediate-need or expedited-services situations.

In all counties, to accommodate expedited/immediate-need cases, card issuance and PIN selection will need to be conducted in at least one designated county location. As described above, CEFS will provide, install, and maintain the required equipment to perform these functions in the locations determined by the county.

³ Food Stamp Program policy requires that a determination of eligibility be rendered within 30 days of application and that, if determined eligible, the client has access to benefits on the 30th day. For EBT, this means that the client must have a card and PIN in hand and benefits posted to the account.

7.3.3 Card Replacement

For issuance of replacement cards on existing cases, each county has the option to issue cards OTC, or have CEFS mail replacement cards to clients. The county may select its card replacement methodology on a case-by-case basis. Replacement cards will be provided to cardholders, as needed, without a fee.

Prior to the issuance of a replacement card the old card must be deactivated. Clients will be trained to contact the 24-hour Customer Service Center immediately when a card is lost, stolen, or inoperative. At that time CEFS will deactivate the existing card and either issue and mail a new card, or direct the client to the county office for a new card depending on the county's procedures. If the client contacts the county first, the old card can also be deactivated by the CWD using the administrative terminal functionality.

7.3.3.1 Mailed by CEFS

CEFS will handle reports of lost, stolen, or inoperative cards through the 24-hour Customer Service Center. In the event that a client's card is reported lost, stolen, or inoperative through the CSC or through an administrative terminal transaction, CEFS will immediately deactivate the card. The client must receive a replacement card within three business days of card deactivation. For counties choosing mail-based replacement card issuance, CEFS will mail cards to clients with the existing PIN still in place, unless the PIN has been compromised and the client requests a new PIN, then a new PIN will be issued in a separate mailing. A fee will be charged by CEFS to the county on actual per-unit basis for replacement card issuance and PIN issuance.

7.3.3.2 Over the Counter Issuance

For counties that choose the OTC option, CEFS will supply designated card issuance locations with card stock and provide, install, and maintain all equipment necessary to perform card issuance and PIN selection. The county is responsible for determining the required number and actual location of card issuance sites.

7.3.3.3 Considerations

When making the decision on how to deliver replacement cards to clients, the county should consider the same factors as considered for the issuance of cards on new cases. Other factors to consider specific to replacement cards are the potential volume of replacement card requests and the timeframes associated with the issuance of the replacement card. The rate of card replacement has been variable across the country. Replacement rates are generally higher than that experienced by banks for debit and credit cards. Replacement rates range from a low of one or two percent of the active card base per month, to a high of as much as seven percent. State policies, the effectiveness of training, and the ease with which a card can be replaced all effect replacement rates. States that either charge for repeated replacement of lost cards or impose limitations on how and when replacements are

Card replacement rates range from a low of one or two percent of the active card base per month, to a high of as much as seven percent.

issued generally have lower rates. Urban areas often have higher replacement rates than rural areas.

7.3.4 Food Stamp Coupon Conversion

Clients who leave an EBT county to go to an area that is not EBT equipped may request to have their electronic food stamp benefits converted to food stamp coupons. Upon request of the client, the county will initiate a transaction to convert food stamp benefits to food coupons.

Food stamp coupon conversion is meant to accommodate the client who makes a permanent move or encounters short-term absences from the EBT system area for family emergencies or other isolated occurrences. Conversion to coupons solely for the purpose of shopping outside the project area is prohibited by FNS regulations. There is no limit on the number of conversions per household for short-term absences from an EBT county or area.

The county will have the option of storing and converting food coupons in the county or having CEFS handle food coupon conversion and mail coupons to clients.

If food coupons are stored locally at individual welfare department district offices, then clients must receive benefits converted to food coupons within one business day following notice by the client. If the coupons are stored at a central location in the county or handled by a contractor, clients must receive the converted benefits within three business days.

If mailed by CEFS, clients will receive the converted benefits within three business days. A fee will be charged by CEFS to the county on an actual per-unit basis for food stamp coupon conversion.

7.3.4.1 Considerations

Factors to be considered when making this decision include the probable infrequency of this request, FNS coupon storage and security requirements, coupon inventory needs, CEFS charges, and impacts on staff time to issue, balance and manage food stamp coupons.

Chain stores statewide will be enabled to accept the EBT card using commercial POS equipment at the beginning of operations in the pilot county. For the most part coupon conversion activity will be eliminated when EBT is implemented statewide. All of California's neighboring states are EBT operational (or soon will be) and California's EBT cards will be interoperable with other states' EBT systems.

8 Impacted County Business Processes

IN THIS SECTION:

Many county business processes will change as a result of EBT. The purpose of this section is to provide sufficient information to allow the county to start envisioning how business will operate under EBT.

- Benefit issuance
- Expedited and immediate-need issuance
- Authorized representatives
- Clients with special needs
- Settlement of funds for cash EBT
- Daily reconciliation for food stamps and cash
- Overpayments
- Client notices
- Training
- Program manuals
- Fraud investigation

The implementation of EBT will require some modifications of current county business practices especially in the areas of benefit issuance and reconciliation. This section details some of the major business areas that may be impacted by EBT implementation. The purpose of this section is to provide sufficient information to allow the county to start its change management effort and create a framework to start the planning process for changes to current business processes. The change management effort to make necessary changes in current operations and/or policies and procedures should begin in the readiness phase. The development of the new operational policies and procedures will be finalized during the planning and installation phase of EBT Implementation in each county.

This section provides the reader with a simple methodology that will guide counties from identification through implementation of changes that result from the implementation of EBT. This includes the following steps:

- Identifying current business processes that may be impacted by the implementation of EBT.
- Documenting and analyzing proposed future business processes.

- Recommending business process changes that most effectively support the implementation of EBT.
- Implementing the new business process changes.

8.1 *Scope of Business Process Changes*

EBT represents a permanent change to the way benefits are delivered. EBT must be fully and permanently assimilated into the processes for administering the food stamp and cash programs at both the state and county level. In some areas EBT presents new business requirements while eliminating the need for some existing processes. In many other cases, an adaptation to existing functions will be required to accommodate EBT. How EBT affects any particular county or field office largely depends upon the existing business processes used in that county. This guide does not attempt to present a packaged solution to each change. For example, when considering what changes may be required in reception functions in the local offices, the county must determine how clients with EBT questions and issues will be directed. If the county elects to issue EBT cards OTC at a location within the office, the question of how and where a receptionist should direct a client that needs a replacement card may be quite different than if the county replaces cards and PINs by mail.

8.2 *Methods and Tools to Change Business Processes*

In order to plan for the changes that will accompany the implementation of EBT, it is important to not only understand how the new processes will work, but also understand how it will impact the way you are currently doing business. This requires a comprehensive, and often time consuming, series of activities. The methodology includes identifying current processes, documenting and analyzing the current and proposed practices, recommending modifications and then implementing the process changes. These activities will be outlined in this section. To most effectively demonstrate this methodology, the expedited services food stamp issuance process will be used as an example.

8.2.1 *Identify Current Business Processes*

Identifying current business processes impacted by (and potentially modified as a result of) the implementation of EBT is the most important step in this methodology. Staff currently conducting the business processes is the most effective group to involve. The county will want to leverage these resources to identify impacted processes and recommend modifications. Sections 4 and 5 of this document identify some of the high level impacted processes and potential new processes, respectively. Counties will also want to identify additional changes specific to their county. This can be done by conducting brainstorming sessions with workgroup members, reviewing existing written procedures, creating sub-workgroups or conducting workflow walk-throughs. The modification of existing business processes or the development of new processes

should occur at the most detailed level. Workgroups need to consider all of the specifics of all processes impacted by EBT.

8.2.2 Document and Analyze the Current and Proposed Business Processes

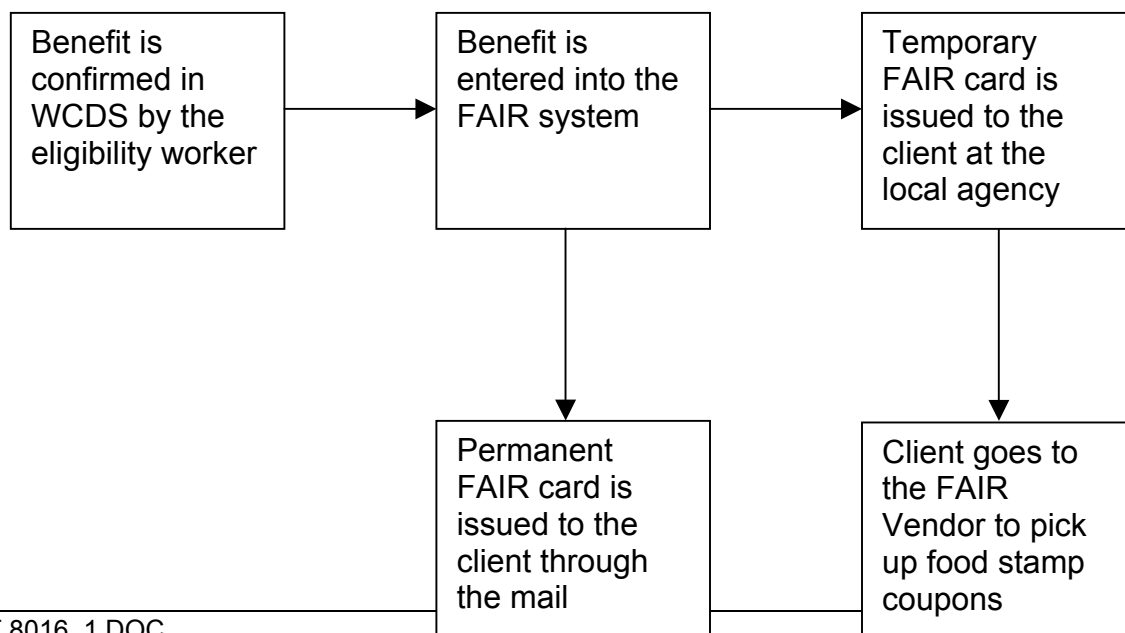
Once the current processes impacted by EBT are identified, the county should document them to assist in the business process analysis. Once the documentation is complete, the county should analyze the current process to evaluate the difference between what exists and what needs to exist to effectively implement EBT. There may be multiple ways of accomplishing a process. It is the counties' responsibility to recommend the most effective and least disruptive process to the county staff and clients.

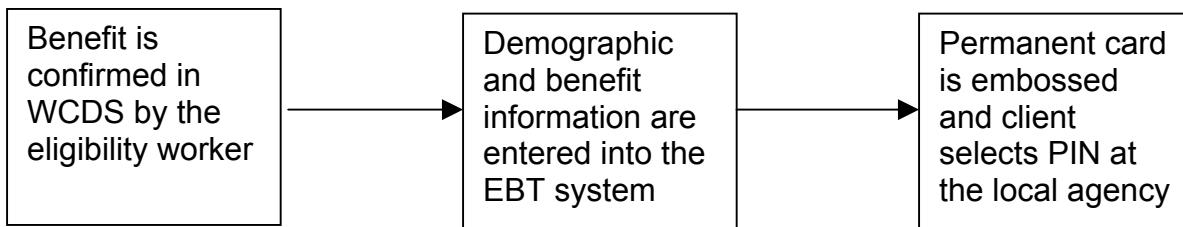
8.3 Process Flow Diagram Examples

A process flow diagram is a tool used to illustrate the sequential tasks of a business process. These diagrams are particularly useful to show the difference in a series of tasks once a change has been identified in a business process. This tool is instrumental in identifying and planning for business process changes.

The following are examples of process flow diagrams that demonstrate the sequential tasks in a process before and after a change occurs. The example used pertains to the expedited services food stamp issuance in a Welfare Case Data System (WCDS) county using the Food Stamp Automated Issuance and Reconciliation (FAIR) system. The "before" example shows the issuance process currently in use by the county and the client for emergent issuance of food stamp benefits prior to the implementation of EBT. The "after" example shows the issuance process completed by the county and client for emergent issuance of food stamp benefits under EBT.

BEFORE EBT:



AFTER (with Over-the-Counter Card Issuance):**8.3.1 Recommend New and Changed Business Processes**

Once decisions have been made for the most effective processes (whether new or changed), the county EBT project team will make a recommendation to management (this could be the EBT Executive Committee). When changes are proposed, they must be outlined in a clear manner. Also, the recommendation needs to include the pros and cons to the changed and new business processes and how the recommendation came about. The management team is responsible for accepting or rejecting recommendations based on supporting documentation presented and needs of the county.

8.3.2 Implement the Proposed Business Processes

Once recommendations are approved, counties will begin developing steps to implement the agreed upon changes. To successfully implement new or changed business processes, procedures and policies should also be written and implemented. It is suggested the EBT project team involve affected staff in developing these policies and procedures. Understanding how to assimilate EBT into county operations is also complicated by the fact that the county is not solely responsible for EBT client service. CEFS has a major role in ongoing EBT service. One of CEFS fundamental roles is to provide the EBT Customer Service Center. Many other services will depend upon county decisions relative to purchasing service from CEFS or assuming the service in house. Effective client service is possible when both the county and CEFS have a clear understanding of where roles and responsibilities are split, so that clients are served seamlessly.

For example, clients may call the local office to complain their EBT account balance is zero and their monthly benefit has not been posted. The problem could be a technical EBT-system-related issue most appropriately addressed by the EBT Customer Service Center. However, the case may be that the clients' food stamp certification expired and their food stamp case was discontinued. In this example, the clients

Effective client service is possible when both the county and CEFS have a clear understanding of where roles and responsibilities are split, so that clients are served.

could easily be misdirected and become frustrated with the bureaucracy because they make multiple calls without receiving accurate information. The tools provided to the county will provide the foundation for managing this split in responsibilities. However, the tools are only as effective as the business process established for directing client service allows.

8.4 Potential Business Process Changes

There will be numerous business processes within each county that require change. A process in one county might change completely while another county's process remains untouched. The changes that occur will vary from county to county. Eligibility determination remains the same. The processes that will be affected are processes that occur after eligibility determination such as card issuance, emergency benefit issuance, authorized representatives, overpayment and repayments, etc. The following subsections describe the potential processes that may change.

8.4.1 General High-level Business Process Changes

The key change with EBT is the delivery method of benefits to the clients. Currently, food stamp coupons and warrants are either mailed to clients or clients pick them up each month at a designated location. Once EBT is implemented, the clients' benefits will be placed on their EBT cards each month on the designated benefit availability date for the clients. This date will always be the same, regardless if the date lands on the weekend or on a holiday.

8.4.2 Ongoing Operation Business Process Changes

Many ongoing operational business processes will change with the implementation of EBT. With each business process change (including the addition of new processes), the counties need to modify the process in a way that will provide the best benefit and least disruption to their clients, while working to avoid an increased workload for county staff. Other considerations may include demographics, population, costs, transportation services and number and location of field offices. Counties will evaluate each process and then suggest the best change for their county. The following are ongoing operation business processes that may change in your county with the implementation of EBT.

8.4.3 Card Issuance Method

In order to access benefits, clients must be issued personalized EBT cards and PINs. This requires counties to develop processes to issue cards to clients. The county has two options for card issuance. The county can choose to issue all EBT cards at the local offices—this is called over the counter (OTC) issuance. Or, the county can have CEFS issue all cards through the mail. The exception to this delivery method is emergent issuances, which must be issued OTC at the local offices. The following sub-sections outline the two delivery methods.

8.4.4 OTC Card Issuance Method

OTC card issuance means that all EBT cards are issued at local offices. This includes initial cards for new clients and replacement cards for lost, stolen and damaged cards. Even with OTC, the local offices have the option of requesting CEFS to mail cards to clients, if necessary. However, the majority of cards, both initial and replacement cards, will be issued at local offices. Counties will have to develop processes to issue these cards and PINs, as well as processes to maintain and reconcile the card stock. Counties will also have to develop security processes in regards to card and PIN issuance procedures. It is important to have separate parties responsible for issuing cards and for entering benefits into the CEFS system for security reasons.

8.4.5 Mail Issuance Method

Mail issuance method means that a majority of EBT cards will be issued by CEFS through the mail. The exception to the mail method is emergency expedited issuances. These issuances must be OTC due to federally mandated timeframes. For mail issuance of new cards, the cards are mailed and the system generated PINs follow the cards 2-3 days later. This is for security reasons. Card replacements are mailed with an active status and the PINs from the old cards carry forward to the new card. Clients can call CEFS at any time to change their PINs.

8.4.6 Emergency Benefit Issuance

Currently, if clients are eligible for emergent benefits, they are issued within emergent timeframes. Although this will not change with EBT, the process in which clients receive the benefits will change. With EBT, emergent clients will receive their EBT cards and PINs in the local office within emergent timeframes. The intake process will not change, however, demographic and benefit information will then be entered into the CEFS system either by using the EBT Administrative Terminal or counties' eligibility systems (for host to host interface systems), cards will be issued to the clients and the clients will choose PINs. Once all of these steps have been completed, clients can then shop with their EBT cards or visit an ATM, if appropriate. Counties will need to define these processes. For security reasons, a number of different people will need to be involved in issuing EBT cards and PINs.

8.4.7 Authorized Representatives

The current process for authorized representatives (AR) will change. Currently, ARs can be given a \$20 food stamp coupon and go to the store to get items necessary for the household. However, with EBT, ARs will be issued their own cards with their own personal account numbers (PANs) and PINs. These cards will allow ARs to draw food stamp and/or cash benefits directly out of clients' accounts. Therefore, ARs will now have full access to clients' benefits at all times. Counties will need to incorporate this new concept into training and require clients to consider whom they have currently designated as an AR. Clients need to ensure that they will be comfortable with allowing their ARs full access to their benefits. As a part of this training and reconsideration of ARs, counties may opt to create a form, to be signed by the client that informs them of

their rights and responsibilities concerning ARs and the possible misuse of clients' benefits. This form may require clients to re-designate ARs and basically state that clients understand their ARs have full access to all benefits at all times, and that if ARs misuse any or all the benefits without prior approval, clients have no recourse to replace the benefits.

8.4.8 Overpayments and Repayments Processes

Currently clients have the option of using food stamp coupons to repay food stamp overpayments. With the implementation of EBT, clients will have the option to request that benefits be deducted from their EBT accounts to repay an overpayment. The EBT Administrative Terminal will allow county staff to deduct a specified amount from clients' accounts as a form of voluntary repayment. The other option is for clients to utilize a Point of Sale (POS) machine in the county office for repayments. Clients would swipe their cards, enter the amount and their PINs and the transaction would be complete. These processes need to be incorporated into the current processes for overpayments and repayments.

8.4.9 Benefit Settlement and Reconciliation

Settlement and reconciliation are the financial components of EBT. Settlement is the process in which the appropriate source is debited and the vendor is reimbursed for the services provided to the clients. Reconciliation is the balancing of accounts and verification of the settlement process. Descriptions of how these processes may change are included in the subsections below.

8.4.9.1 Settlement Processes

EBT settlement is a process by which CEFS moves the funds from the appropriate source to the account of the retailers and/or ATM owners. Food Stamp Program settlement is the state's responsibility and the counties have no direct role in daily food stamp settlement. Because food stamps are federally funded, CEFS draws on federal funds to settle food stamp purchases. Cash program funding is administered at the county level; therefore, the counties will be responsible for daily cash settlement. Counties' treasurer's offices will need to fund an account for CEFS to draw from in order to cover daily settlement. Counties' auditor's offices must pre-authorize the disbursement of these funds. County welfare departments (CWD) will need to provide the auditor's offices with benefit authorization data on a daily and monthly basis to pre-authorize funds.

8.4.9.2 Reconciliation Processes

Reconciliation is the process used to ensure the financial integrity of the EBT system on a daily basis. The reconciliation process is intended to validate the daily settlement amounts and ending EBT balances. It is the counties' responsibility to make sure that appropriate procedures and data sharing processes are in place so each agency can perform its reconciliation procedures timely and accurately. In most counties, the agencies involved in the settlement and reconciliation processes include the CWDs, the auditor's offices and the treasurer's offices.

8.5 *Potential New Business Processes*

As with any implementation, some current business processes will change, some may no longer be needed and still others will need to be added. The following subsections describe potential new business processes. Again, this will occur on a county-by-county basis based on their current processes and decisions they make in implementing EBT.

8.5.1 Conversion of Current Clients to EBT

Clients' currently receiving cash warrants and/or food stamp benefits will need to be converted to EBT. This can be accomplished in two ways—either by mailing out EBT cards with training materials (mail based conversion) or mailing out appointment letters informing clients of when and where to come to pick up their EBT cards and receive training if necessary (over the counter conversion). These conversion methods are outlined in the following paragraphs.

8.5.2 Mail Based Conversion of Clients

Approximately one month prior to go live for EBT; current clients will be mailed their EBT cards along with training materials to their mailing addresses. System generated PINs will be mailed approximately 2-3 days later. Once clients receive their cards, training material and PINs, clients have the option of self-training through an automated response unit via the telephone or coming into a designated training site for training. Clients that go into the designated training sites will be shown a training video and given the opportunity to ask questions and receive assistance.

8.4.3 Over the Counter (OTC) Conversion of Clients

Approximately one month prior to go live for EBT; current clients will be mailed a notice informing them of when and where to pick up their EBT cards (this could be at local offices or community centers). Training materials will be included with the letters. When clients come into the local offices to pick up their EBT cards, they will be offered the opportunity to view a training video. After they watch the video (or opt not to), clients are given their cards and are instructed to select their PINs. They are then given the opportunity to practice on a "test" POS and ask questions.

8.4.4 Food Stamp Coupon Conversion

When clients leave a geographic region that has not implemented EBT, clients may request to have their EBT benefits converted into food stamp coupons. Upon request, counties will initiate a process to convert food stamp benefits to coupons. Counties will have the option of storing and converting food stamp coupons in their counties, maintaining current contracts with contractors to issue the coupons, or having CEFS handle food stamp coupon conversion and mailing the coupons to clients for a fee.

8.4.5 Client PIN Changes

Clients may choose to change their PIN if they forget their PIN or they feel their PIN has been compromised. This can be done by calling CEFS customer service or going into their local office. Some clients may be more comfortable going into the office to change their PIN versus doing this over the telephone. Each county will need to have a process for client PIN changes.

8.5 County Change Management Effort

In preparing to make use of the information contained in this guide, readers may be left with a perceived dilemma. The guide points to the many decisions that must be made and the many activities that must be initiated so that the county is not left unprepared to do its part to transition to EBT. However, the guide also cautions the reader that there is an appropriate time for each task and decision and that there is a risk should the county get too far “ahead of the curve” in putting change into motion before the county has the knowledge and Regional Implementation Teams in place to support the effort. The reader may also have a sense of frustration in that the guide is full of information describing EBT functionality and impacts, but no direction on how to apply the information to make the right decision for the county. There are two things to keep in mind in resolving this apparent dilemma.

First, the state has spent a good deal of time and effort in developing a strategy to provide support for each county. Both the Regional Implementation Team and CEFS will be onsite in the county to provide support at the appropriate time. The transition to EBT will be most efficient and least disruptive if the county, the state, and CEFS all work together as a team. The state is fully committed and staffed to support the conversion to EBT in a way that is most beneficial to all concerned. This guide will help the county understand the role it must play in preparing for EBT and, more importantly, hopefully leave the county with a sense of confidence that the state and CEFS will be there to support the effort. Of course, reliance upon the timeframe and scope of tasks in the Workplan provided by the state must be put into context. Neither the state nor CEFS can define county lead-time for activities. For example, the state can fund an EBT County Project Manager and denote a start date for the manager to be in place. However, only the county can determine what lead-time is necessary to hire the manager based upon county human resources policies and procedures.

Second, there often is no definitive answer to how a county should best incorporate EBT into its business processes. Ultimately, business process change is a matter of customization in consideration of county-specific factors. Considerations may include demographics, population, available transportation services, number and distribution of field offices, how the CWD is administratively structured, and such intangibles as local knowledge of what works and what does not, and the level of client service the county deems appropriate. Obviously this guide cannot address these issues, as only the county can provide this information. For example, there is no specific answer as to how many county sites should provide PIN change service. The county may consider how

many sites currently issue coupons and how existing locations match up to available office space, staff resources, public transportation, etc.

Finally, EBT decisions are not cast in stone. Some adjustment to business processes is likely once the county is experienced with EBT.

9 Benefit Issuance

Implementation of EBT will eliminate the need for the county to issue paper negotiable instruments. The county will no longer issue ATPs or food stamp coupons to clients for their FSP benefit allotments. If the county chooses to use EBT to issue cash benefits it will no longer have to create and issue checks or warrants to individuals for those cash benefits. This also eliminates the processes necessary to maintain and reconcile paper negotiable instruments and reporting as well as those required to research and replace lost or destroyed ATPs, food stamp coupons or warrants.

Instead, benefits will be posted to the client's EBT account electronically through computer batch files or online transactions. Clients will access their food stamp and/or cash benefit EBT account electronically through the use of a plastic magnetic stripe card and associated PIN. Issuance of the card and selection of accompanying PIN will become an integral part of the benefit issuance process, as clients will not be able to access their benefits without an account, an active card, and a corresponding PIN.

The majority of authorized benefits will be posted to the EBT system via batch files from the interface with the eligibility system. For those counties that do not have host-to-host interface (online, real-time updating of the EBT system from actions authorized in the eligibility system) capability, there will be times when benefits are added to the EBT system via an online transaction through the Administrative Terminal. Processes must be developed to ensure appropriate information is routed on a timely basis from the authorizing worker to the staff that has the authorization to enter client demographic and benefit data directly into the EBT system. It is also important EBT procedures developed by the county provide a clear division of responsibilities between staff that authorize benefits, staff that have the ability to add client demographic and/or benefit information to the EBT system, and staff that have the authority to issue cards.

9.1.1 Benefit Stagger

For monthly benefit issuance, food stamp benefits issued via EBT will be staggered over the first ten calendar days of the month. This may necessitate operational and/or system changes for the county if the current food stamp stagger methodology is different than the first ten calendar days of the month or if issuance of food stamp benefits is not staggered. Clients will need to be notified of any changes to their benefit availability dates due to required issuance schedules. Counties may wish to convert to the ten-day stagger methodology that will be used for EBT prior to the actual implementation of EBT in their county to reduce the impact EBT will have on clients.

For monthly benefit issuance, cash benefits issued via EBT will be staggered over the first three calendar days of the month. This will necessitate operational and/or system changes for the county, as CalWORKs benefits are, in most counties, issued on the first calendar day of the month. Counties electing to use EBT for GA/GR benefit issuance will be required to stagger issuance over a minimum of three calendar days; however, GA/GR benefits can be staggered over a longer period of time at the county's discretion. As with FSP benefits, clients will need to be notified of any changes to their benefit availability dates.

Counties may wish to convert to the ten-day stagger methodology that will be used for EBT prior to the actual implementation of EBT in their county to reduce the impact EBT will have on clients.

A county can exempt individual clients from the three-day cash stagger requirement on a case-by-case basis for hardship including the incurrence of late charges on an individual's housing payments. The county will need to determine what constitutes "hardship" for the county and develop processes and procedures for the individual client to be exempted from the normal stagger pattern for cash issuance.

The actual method of staggering for both cash and food stamp benefits will be standardized statewide and was determined and approved by the CWDA EBT policy group. If the county's stagger methodology differs from the standardized statewide methodology, the county will need to determine what procedural and/or eligibility system changes are required.

Food Stamp benefits will be staggered over the first ten calendar days of the month. The last digit of the case number will determine the day when benefits will be issued for a case, using one number for each issuance day.

| Last Digit of Case # | Availability Date |
|----------------------|-------------------|
| 1 | Calendar Day 1 |
| 2 | Calendar Day 2 |
| 3 | Calendar Day 3 |
| 4 | Calendar Day 4 |
| 5 | Calendar Day 5 |
| 6 | Calendar Day 6 |
| 7 | Calendar Day 7 |
| 8 | Calendar Day 8 |
| 9 | Calendar Day 9 |
| 0 | Calendar Day 10 |

CalWORKs benefits will be staggered over the first three calendar days of the month. The last digit of the serial number* will be used to determine the issue date as follows:

| Last Digit of Case # | Availability Date | Percentage |
|----------------------|-------------------|------------------------|
| 1-3 | Calendar Day 1 | 30% of benefits issued |
| 4-7 | Calendar Day 2 | 40% of benefits issued |
| 8-0 | Calendar Day 3 | 30% of benefits issued |

GA will be staggered a minimum of three days with county discretion to stagger up to ten days, but no more than ten.

9.1.2 Card Issuance

In order to access EBT benefits, clients must be issued a personalized EBT card and a PIN. This requires the development of procedures for the issuance of cards and PINs as well as the maintenance and reconciliation of card stock. The county will need to make decisions on how and where card issuance and PIN selection activities will take place prior to the development of card issuance/reconciliation procedures. Options regarding ongoing card issuance are detailed in Section 8.3 of this guide. As stated earlier, an important factor to consider when developing card issuance procedures is the need for the division of duties. For internal security reasons it is important to separate the duties of authorizing benefits, adding client demographic and/or benefit information directly to the EBT system, and issuing cards.

For internal security reasons it is important to separate the duties of authorizing benefits, adding client demographic and/or benefit information directly to the EBT system, and issuing cards.

9.1.3 PIN Selection/Changes

Clients have the right to change their PIN at any time, for any reason. Clients can either change their PIN by visiting a county location that offers PIN changes or by using the ARU. The county will need to decide which local office sites will provide PIN selection/change functionality, and where in those designated sites PIN selection equipment should be installed.

9.1.4 Emergency Benefit Issuance

Procedures to ensure same-day issuance of cards and PIN selection must be in place to meet expedited food stamp and cash immediate-need timeframes. This also includes procedures for account authorization and benefit set up utilizing Administrative-Terminal functionality or host-to-host online transactions. The county will need to decide what locations will be utilized for emergency benefit issuance and develop procedures to ensure card issuance/PIN selection can occur within regulatory timeframes at the designated locations.

9.1.5 Replacement Card Issuance

The county must develop procedures to ensure replacement EBT card requests are processed timely and cards are available to clients within designated timeframes. These

procedures need to include information on the steps to be taken by county staff when contacted by a client stating his/her card was lost or stolen, as well as information on how and where the replacement card will be issued. As further specified in Section 8.3 of this guide, the county will need to determine the methodology for replacement card issuance. If OTC issuance is selected, the county must identify the locations where replacement cards will be issued.

9.1.6 Authorized Representatives

Clients can designate an AR to have access to their food stamp and/or cash accounts. The selected AR will be issued a separate EBT card and PIN, and will be given access to the benefit accounts as designated by the primary cardholder or payee. It is extremely important that clients be advised the AR needs to be a person that they trust, as the AR will have access to the entire account balance for the designated benefit. The client does have the ability to limit the AR's access to either cash or food stamp benefits or can allow access to both types of benefits.

Experience from the San Bernardino County and San Diego County EBT pilot shows the demand for ARs increases with EBT. The county may need to modify its eligibility systems to accept AR information that can then be passed to the EBT system via the established system interface. Data elements that are required by the EBT system for ARs will be detailed in the EBT Interface Specifications documentation that will be finalized during the JAD sessions. County procedures may need to be modified to reflect the inclusion of an AR for the cash program.

9.1.7 Multiple Adult Households

California law states that in those cases that have more than one adult member in the household, each adult household member may be issued an EBT card at the request of the head of the household. Each card will have a separate Primary Account Number (PAN) and PIN. In order for a card to be issued to a client or household member, the eligibility system must pass certain demographic information to the EBT system. This information includes case number, cardholder type, cardholder access, cardholder name, address, and birth date. The county may need to modify its eligibility system if it does not currently capture this level of information for all adult household members.

The county may want to inform the head of household of the implications of having more than one active card that can access the account.

9.1.8 Specialized Client Populations

The county must develop procedures to ensure timely and efficient issuance of EBT cards and PINs for identified special needs client populations that exist within the welfare caseload. These populations generally include homebound clients, homeless clients, and clients who live in group living situations. Each county may have other identified populations that should be specifically addressed when developing card issuance procedures.

9.1.8.1 Homebound Clients

Procedures to ensure the timely issuance of cards and PINs must be developed that address the needs of homebound clients. Per requirements in the ITP, homebound clients who do not have an AR will have the card and a pre-assigned PIN mailed to them, and will have the opportunity to change their PIN through the ARU. Homebound clients can, of course, designate an AR.

9.1.8.2 Homeless Clients

A county that uses mail-based ongoing card issuance methodology needs to ensure the development of card-issuance procedures that accommodate the special needs of homeless clients, such as the possibly of not having reliable mail service. The county may need to modify card-issuance procedures for homeless clients to include OTC card issuance and PIN selection.

9.1.8.3 Group Living Arrangements

Group living facilities include federally subsidized housing for the elderly, drug and/or alcohol treatment rehabilitation centers, battered women shelters, foster family settings, and nonprofit shelters for homeless persons.

Food stamp benefits may be redeemed at group living facilities and homeless meal providers that are FNS authorized. These facilities can also be designated by the client to act as an AR. To support EBT usage in such facilities, CEFS will install a POS device to each FNS-authorized group living facility or homeless meal provider that meets the \$100 minimum monthly food stamp coupon redemption requirement.

At the group living facility, the client will use the EBT card at the POS to transfer the required amount of benefits to the facility. When the client leaves the group living facility, the facility will execute a transaction to return any portion of the monthly food stamp allotment to which the client is entitled, in accordance with federal and state regulations and the retailer agreement. One copy of the transaction receipt will be provided to the client and one will be retained by the facility to document the transfer.

POS devices deployed to group living facilities may also be used to access cash benefits if the group living facility chooses to provide such a service.

9.2 Benefit Settlement and Reconciliation

Settlement and reconciliation are the financial components of EBT. Settlement is the process whereby the appropriate government-funding source is debited and the acquirers (retailers and ATM owners) are reimbursed for the service provided to the clients. Reconciliation is the subsequent balancing of accounts and verification of the settlement process. A Settlement and Reconciliation Workgroup, with county representation, is working to further define county responsibilities in these areas. The state is developing a Settlement and Reconciliation Guide that will detail the roles and

responsibilities of the state, CEFS, and the county in the areas of settlement and reconciliation.

9.2.1 Benefit Settlement

EBT settlement is essentially a process whereby CEFS facilitates the movement of funds from the government's funding account to the acquirer's (retailers and/or ATM owners) account.

FSP settlement is a state responsibility and the county has no direct role in daily food stamp settlement. This is because FSP funds are held by the federal government and strictly managed through two interrelated financial management systems Account Management Agent and Automated Standard Application for Payments (AMA and ASAP). Neither the state nor county ever directly holds food stamp funds. CEFS will

initiate a draw of federal funds sufficient to settle the client food stamp purchases.

If a county uses EBT for benefit issuance for cash programs, the county treasurer's office must make adequate funds available for CEFS to access in a daily draw to cover settlement.

On the other hand, the counties physically hold cash program funds. The county has a direct responsibility and active role in facilitating daily cash settlement. If a county uses EBT for benefit issuance for cash programs, the county treasurer's office must make adequate funds available for CEFS to access in a daily draw to cover settlement. In order for the county treasurer's office to fund the account that CEFS will draw from, the county auditor's office must pre-authorize the disbursement of these funds. The CWD will need to provide the auditor's office with benefit authorization data on a daily and monthly basis to allow for this pre-authorization process.

9.2.2 Benefit Reconciliation

Reconciliation is the process used to ensure the financial integrity of the EBT system on a daily basis. Reconciliation is the means by which CEFS reports to the county and the state their daily financial position, both in terms of the client initiated transactions from the previous day that are being settled, and the outstanding value of the benefits remaining on the EBT database. The reconciliation process is intended to validate the daily settlement amounts and ending EBT balances. CEFS will use the same reconciliation requirements to perform reconciliation for all benefit programs.

It is the county's responsibility to make sure appropriate procedures and data sharing processes are in place so each impacted agency can perform its reconciliation tasks timely and accurately. In most counties, agencies involved in the benefit settlement and reconciliation processes include the CWD, the auditor's office and the treasurer's office.

9.3 Benefit Aging

The EBT system will maintain an account status for each client account. An account status may be active, inactive, dormant, or expunged.

Accounts for which ongoing client initiated transactions are being posted are considered to be active accounts. This means that the cardholder has accessed benefits in the account within the past 45 days. Accounts on which no client initiated debit transactions have been posted for 45 to 89 days shall be designated as inactive accounts. A client may still access an inactive account at any time without any action required by the county or CEFS. The EBT system will provide a report to the county on a monthly basis identifying accounts on which no debits have been posted for 45 days. The county is required to send a notice to the client after 45 days of inactivity, notifying the client of when benefits will become dormant, and how they can re-access benefits.

When no debits have been posted on a food stamp or cash account for 90 days, the account will change to “dormant” status. Accounts in a dormant status cannot be accessed by the client without county approval. CEFS will have the ability to reinstate benefit availability immediately upon notification by the county through an administrative-terminal transaction. CEFS will report daily on all dormant accounts.

After benefits have been available for the full duration of 90 days active and 180 days inactive, they may be expunged. Benefits will be expunged on a monthly basis until the entire account has been expunged. CEFS will transmit an expunged account report to the county indicating food stamp accounts expunged and any remaining benefit balances(s) at the time of expungement.

Food stamp benefits expunged from the EBT system will not be reinstated as per program regulations. However, the county must maintain information on cash benefits that have been expunged, as a client returning to claim unused CalWORKs benefits at a future date is entitled to receive them.

9.4 *Overpayment and Overissuance Processing*

Since food stamp coupons will no longer be issued to clients, they will no longer be able to use coupons to repay food stamp overissuances. Clients will however be able to request that benefits be deducted from their EBT account to repay an overpayment or overissuance.

The EBT system will have an administrative terminal functionality that allows for voluntary claims repayment. A transaction can be completed in the EBT system at the request of the client that will debit his/her account for a specified amount to repay all or part of an outstanding claim. The county may also be able to utilize a process where voluntary claims payments are taken as a POS transaction. POS terminals will be deployed in county offices to enable the client to initiate a transaction to authorize the debit of his/her account as payment toward a claim. The actual functionality and processes will be further defined during the JAD sessions that will be conducted by CEFS.

The county needs to be aware some modifications to its current procedures for voluntary claims repayment may be necessary with the implementation of EBT. This

process may also impact benefit reconciliation and must be considered when developing reconciliation procedures.

9.5 Client Informing

Ongoing client informing regarding EBT is the responsibility of the county. This includes informing applicants/clients of their rights and responsibilities under EBT as well as informing of benefit availability dates and benefit aging activities. Informing activities can take many forms including mass and individual mailings, posters, videotapes and face-to-face discussions. The county needs to develop client-informing procedures related to the use and functions of the EBT system as it is designed and implemented in the county.

9.6 Training

For conversion, CEFS is responsible for training cardholders, retailers, and county staff. After conversion, CEFS will update the training materials on an ongoing basis as required. CEFS is responsible for the ongoing training of retailers, while ongoing cardholder and administrative staff training is the responsibility of the county.

9.6.1 Client Training

After conversion training is completed, CEFS will continue to be responsible for updating and providing training materials but the counties are responsible for the actual delivery of training materials to clients. The county will need to decide on how and when the training materials will be distributed to clients. The county will determine if it will continue walk-in training center functions after conversion activities, and if so, how it will be staffed.

9.6.2 Staff Training

CEFS will conduct initial staff training prior to implementation in each county. CEFS will train county staff who have primary responsibility for EBT activities and will include training on administrative-terminal functionality, card production, PIN selection, and usage of all EBT equipment. Function-specific training will also be provided in areas such as fraud, system security, settlement and reconciliation, system performance, and inventory control. CEFS will also provide general overview training to county trainers who will then be responsible to conduct training sessions for county employees.

After conversion, ongoing training will be the responsibility of the county. This includes general overview training for eligibility staff as well as function specific training for staff responsible for specific EBT activities, such as card issuance, account/benefit set up, or settlement and reconciliation. CEFS will provide training for county staff in the event that significant changes are made to the EBT system.

9.7 Program Manuals

All appropriate policy and procedures manuals that are maintained by the CWD must be updated to reflect the addition of EBT as a benefit delivery system. Some current policies and/or procedures will change significantly or be eliminated to reflect the integration of EBT into current business practices, while others will only reflect the addition of EBT as a benefit issuance process.

9.8 Fair Hearings

Fair hearings officers should participate in EBT training as well as policy and procedure discussions so that the hearing officers' first exposure to EBT is not when an EBT-related hearing is requested. A good understanding of system functionality and how use of the system was incorporated into current business practices allows the hearing officer to be able to handle EBT-related matters more efficiently.

9.9 Fraud Investigations

EBT will present a new set of data for program integrity staff. Many current areas of paper-based fraud and abuse will be eliminated. For example, forged and stolen warrants will become a thing of the past and there will no longer be a need to obtain the services of a handwriting analyst to evaluate signatures. However, while EBT dramatically reduces fraud and abuse, EBT is not "fraud proof." EBT fraud exists and investigative support requires a new set of skills and knowledge. While EBT does not eliminate abuse, it provides investigators an electronic audit trail to better track abuse.

EBT provides access to additional client-specific benefit redemption information that may provide an additional resource for staff involved in the detection and prosecution of welfare fraud. EBT transaction information includes the date, time, amount, card number and retailer involved in the benefit transaction. This information can be used to identify and prosecute both retailers and clients involved in illegal food stamp trafficking.

As described below, a series of reports will provide detailed information that may be helpful in the detection and/or investigation of fraudulent activities. County fraud investigations units may choose to incorporate the use of online EBT data as well as system-generated reports into their fraud policies and procedures. The CDSS Fraud Bureau is developing policies for county investigative staff regarding the appropriate acquisition and use of EBT-related information.

9.10 Reports

The EBT reporting system will produce information at the program, local office, and county summary levels. CEFS will distribute daily, weekly and monthly reports electronically via administrative terminals and/or batch files with the ability for printing as necessary. Report files will be provided as standard print files, data files, or both. The format and structure of the report files will be finalized during the JAD sessions

conducted by CEFS. Report training and report manuals will be provided to designated county staff prior to the county beginning actual EBT operations.

CEFS will provide each county a daily transaction history file of all transactions resulting in account activity for reconciliation, audit and investigative purposes. The structure and content of this file will be standardized to allow the county to manipulate data with ad hoc reporting tools. The sections below describe some of the standard reports that will be generated by the EBT system.

The county will need to examine the reports produced by the EBT system to determine how they may be used in county operations. At a minimum, the county will need to determine the distribution pattern for each of the reports. Sample copies of these reports will be available for review after the JAD sessions have been completed and report formats and data elements have been finalized and approved.

9.10.1 Program Support Reporting

Support reports are those reports used by the county and/or state to control and account for activity taking place on the EBT system. These reports include:

- **Batch Processing Reports** – CEFS will provide a standard set of batch processing reports to be used by the county to ensure the complete and accurate transfer of data during nightly batch processing. The reports will include a summary report by file transmission that provides a confirmation for the processing of the batch file(s) and includes the total number of records received in the batch and the number of records by record type.
- **Batch Exception Reports** – Batch exception reports will contain a listing of all records received within a batch that were not processed by CEFS. Each record included on the exception report will have a corresponding reason code indicating the cause of the rejection. In particular, duplicate case exceptions shall be clearly identified.
- **Administrative Terminal Benefit Authorization Report** – This report will provide a listing of all benefit authorizations added to the EBT system through the administrative-terminal functionality. This audit report will include (at a minimum) the benefit amount, benefit type, and the user ID of the administrative-terminal operator adding the benefit.
- **Administrative Action Report** – This is a daily report that lists all administrative actions attempted and completed either by the system or users logged onto the EBT system. The report shall identify who initiated the action, the transaction type, and the EBT account affected. Administrative actions include changes to client, case, or account data, account closure, benefit expungements, and food stamp conversions.
- **Monthly Out-of-State Activity Reports** – This is a monthly report by county of all client transactions occurring outside of the State of California.
- **Benefit Aging Reports** – The EBT system will produce a report of clients who have not accessed their benefits for the last 45, 60, and 90 days. CEFS will

clearly identify the aging category the EBT account is falling under and will have page breaks by caseworker within local office.

- **Inactive Account Reactivation Report** – The EBT system will provide a daily report that identifies the inactive accounts reactivated during the previous business day.
- **Card Issuance/Reissuance Reports** – Audit and statistical reports of cards being issued and/or reissued to clients will be provided. Audit reports will provide detailed data by card issued, such as reason for issuance, and card issuance method. Statistical reports shall provide data needed to manage the EBT program, such as the card reissue rate, the reasons for reissuance, etc.
- **Transaction Denial Summary Reports** – A monthly statistical report that provides the number and percentage of client transactions denied, and the reason for the denials will be provided to each county with summary information provided to the state.
- **Administrative Terminal Security Reports** – Administrative terminal security reports are those reports that identify the users of the EBT Administrative-Terminal functionality; the access provided these users, and an audit trail of the transactions performed by the users. Reports provided include an access definition report, a failed logon report and a user session activity report.
- **Statistical Reports** – Statistical reports are those reports that assist with the management of the EBT system. Reports provided include:
 - *Monthly Utilization Reports* – A report will be provided to each county detailing the number and type of transactions performed from each EBT-only terminal provided to food stamp retailers.
 - *Network Statistics Report* – A monthly report that provides a summary of transactions by time of day and day of month. The purpose of the report is to show the peak processing time for the EBT system.
 - *Management Statistics Report* - A monthly summary report of transaction activity on the EBT system will be provided at a county and state level. Statistics provided will include: benefits authorized for the previous month, transactions performed by transaction type (i.e., food stamp purchases, cash purchases, cash withdrawals), the number of active cases on the system, number of active cards on the system, and the number of cards issued during the month.

9.10.2 Fiscal Reporting

Fiscal reports are those reports needed by the state and the county in order to account, reconcile and balance, and audit the EBT system processing and operations. These include:

- **Account Activity Reports** – CEFS will provide daily account activity reports that reflect all account actions received from the state and/or county via batch and/or online during an EBT processing day, or taken on behalf of the state and/or county by CEFS (i.e., account expungement or food stamp conversions). The reports shall provide detail on every transaction that impacts an EBT account

balance or account status. The reports will show the amount of the transaction, type of transaction, date and time of transaction, and whether the transaction was originated through the batch process or online.

- **Terminal Activity Reports** – Terminal activity reports show all transactions that will result in funds being moved (i.e., settled) to a retailer, third-party processor, or ATM network and will be provided on a daily basis. The report will list the transaction type, amount, transaction date and type, settlement date, merchant and terminal identifier, and benefits impacted. The report shall provide settlement totals for each entity for which funds will be moved, as well as totals, if any, for transactions that will not be settled until the next processing day.
- **Clearing Report** – This report details the total funds that are being settled for the processing day by program type (i.e., cash and food stamps), and require funding. This report will balance to the totals from the terminal activity reports.
- **Database Value Report** – This report will provide at a county level, the value of the outstanding liability for unused benefits residing on the EBT system at the end of the processing day. Totals shall be maintained by benefit type, and rollup to program type.

9.10.3 Fraud Reporting

The EBT system will provide a set of fraud reports that will help the counties detect fraud and manage fraud investigation activities for all benefit programs included in the EBT system. In addition to the reports identified below, other types of fraud reports may be discussed as part of the JAD sessions:

- Excessive large dollar food stamp transactions
- Multiple transactions in same day
- Transactions with common dollar amounts
- Transaction combination (e.g., balance inquiry/purchase)
- Manual card entry
- Rapid and/or repeated transaction count
- Excessive number of manual vouchers
- After-hours transactions
- Transactions against invalid cards
- Excessive number of card replacements per account
- Redemption of entire benefit in one transaction

10 Readiness Activities Summary

The following table is provided as a summary listing of activities the county will be involved in or impacted by during the readiness phase of EBT implementation. This is not meant to serve as a Workplan or decision checklist; rather, it is intended to summarize the activities that will occur by and in the county. The table is presented in subject order rather than in a chronological order.

Each county will receive a county-specific Workplan from CEFS that will detail specific tasks, subtasks, task dependencies, resource requirements and timeframes each county will be involved in or responsible for. This detailed Workplan will be provided to each county at the beginning of its readiness phase.

| Subject Area | Specific Activity | Comments |
|----------------------------------|---|---|
| Interface Development Management | Schedule appropriate technical resources for interface development and testing. | This is an activity that may be handled by the consortium that the county is affiliated with. |
| | Develop and test county interface files. | Refer to Interface Guide for further information. |
| | Develop and test county conversion files. | |
| Cash EBT Impacts | Work with CEFS to develop the county-specific cash access plan. | |
| | Review and comment on the county-specific cash access plan. | |
| | Determine exemption criteria for case-by-case hardship exemption from cash stagger requirement. | |
| | Determine client-informing methodology regarding benefit staggering and availability dates. | |
| | Determine if county will request cash stagger waiver from CDSS. | |

| Subject Area | Specific Activity | Comments |
|---------------------------------------|--|--|
| Benefit Settlement and Reconciliation | Work with county auditor and treasurer to develop cash settlement and benefit reconciliation processes and procedures. | |
| | Determine county's preferred method for receipt of settlement data from CEFS. | |
| Stakeholder Communication | Identify impacted internal and external stakeholders. | See the EBT Project Communication Plan for additional details. |
| | Development of local stakeholder communication plan. | |
| Workplans | Work with CEFS to customize county Workplan. | |
| Implementation Staffing | Identify and staff EBT County Project Manager and Assistant County Project Manager(s). | CDSS will issue claiming instructions. |
| Case Conversion | Determine card issuance methodology that will be used by the county. | |
| | Determine locations for OTC card issuance for client conversion. | |
| | Locate and acquire appropriate OTC card issuance facilities for client conversion. | |
| | Locate and acquire appropriate walk-in training facilities to support mail-based conversion. | |
| | Determine process for validation of client demographic information. | |

| Subject Area | Specific Activity | Comments |
|---|---|----------|
| | Determine strategy for conversion of special-needs client populations. | |
| Ongoing and Replacement Card Issuance | Determine ongoing card issuance methodology. | |
| | Determine card issuance strategy for emergency case situations (expedited services and/or immediate needs). | |
| | Determine location(s) for card-issuance and PIN-selection equipment. | |
| Food Stamp Coupon Conversion | Determine food stamp coupon conversion policy and procedures. | |
| Site Preparations | Determine what site preparations will be necessary and who will be doing the actual work. | |
| | Determine the duration of site prep activities and schedule appropriately. | |
| Identification of Impacted Business Processes | Identify business process that may be impacted by the implementation of EBT. | |

11 Appendices

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Appendix A: Welfare and Institutions Code (Sections 10065 – 10077)

WELFARE AND INSTITUTIONS CODE

SECTION 10065-10077

10065. The Legislature finds and declares both of the following:

(a) The development of incompatible systems for electronic benefits transfer will create significant hardships on clients of public social services and businesses that accept electronic transactions as payment for goods and services.

(b) The goals of electronic benefits transfer are to reduce the cost of delivering benefits to clients, to ensure that all systems within California are compatible, and to afford public social services clients the opportunity to better and more securely manage their financial affairs.

10066. For purposes of this chapter, the following definitions shall apply:

(a) "Committee" means the committee created pursuant to this chapter.

(b) "Benefits" means financial and food assistance provided to, or on behalf of, those Californians who, because of their economic circumstances or social condition, are in need thereof, and may benefit thereby.

(c) "System" means the electronic benefits transfer system developed pursuant to this chapter.

10067. The Electronic Benefits Transfer Committee is hereby created. The committee shall remain in existence until January 1, 2003.

10068. The committee shall consist of the Director of the Health and Welfare Agency Data Center, who shall be the chair of the committee, the Director of Social Services, the Director of Health Services, the Director of Information Technology, the Controller, the Treasurer, a representative of the California State Association of Counties, one member appointed by the Speaker of the Assembly, and one member appointed by the Senate Committee on Rules. The committee shall provide for the participation of a technical advisory group comprised of representatives from the California Association of County Treasurers and Tax Collectors, the County Welfare Directors Association, the California Grocer's Association, the California Retailer's Association, the California Bankers Association, and agencies, organizations, and representatives of individuals who will use or be affected by an electronic benefits transfer system. A company or individual that participates in the committee or the advisory group shall not be eligible to bid for the provision of the electronic benefits transfer system.

10069. The committee shall advise the department on the development and implementation of a statewide electronic benefits transfer system, and shall provide advice concerning the request for proposal.

The system shall have the capability to deliver food stamps and, upon the election of the county, benefits under Chapter 2 (commencing with Section 11200) of Part 3. The system may also be used, with the approval of the department, for the distribution of other benefits. Any electronic benefits transfer processor shall be capable of implementing systems within nine months of contracting for services.

10069.5. Notwithstanding any other provision of this chapter, the project management for a statewide electronic benefits transfer system shall be transferred from the department to the Health and Welfare Agency Data Center.

10071. Any benefits provided to clients under the department's authority may be distributed through the electronic benefits transfer system as long as the client has reasonable access to his or her benefits.

10072. The electronic benefits transfer system required by this chapter shall be designed to do, but not be limited to, all of the following:

(a) To the extent permitted by federal law and the rules of the program providing the benefits, clients who are required to receive their benefits using an electronic benefits transfer system shall be permitted to gain access to the benefits in any part of the state where electronic benefits transfers are accepted. All electronic benefits transfer systems in this state shall be designed to allow clients to gain access to their benefits by using every other electronic benefits transfer system.

(b) To the maximum extent feasible, electronic benefits transfer systems shall be designed to be compatible with the electronic benefits transfer systems in other states.

(c) All reasonable measures shall be taken in order to ensure that clients have access to electronically issued benefits through systems such as automated teller machines, point-of-sale devices, or other devices that accept electronic benefits transfer transactions. Benefits provided under Chapter 2 (commencing with Section 11200) of Part 3 shall be staggered over a period of three calendar days, unless a county requests a waiver from the department and the waiver is approved, or in cases of hardship pursuant to subdivision (l).

(d) The system shall provide for reasonable access to benefits to clients who demonstrate an inability to use, an electronic

benefits transfer card or other aspect of the system because of disability, language, lack of access, or other barrier. These alternative methods shall conform to the requirements of the Americans with Disabilities Act (42 U.S.C. Sec. 12101, et seq.), including reasonable accommodations for clients who, because of physical or mental disabilities, are unable to operate or otherwise make effective use of the electronic benefits transfer system.

(e) The system shall permit a client the option to choose a personal identification number, also known as a "pin" number, to assist the client to remember his or her number in order to allow access to benefits. Whenever an institution, authorized representative, or other third party not part of the client household or assistance unit has been issued an electronic benefits transfer card, either in lieu of, or in addition to, the client, the third party shall have a separate card and personal identification number. At the option of the client, he or she may designate whether restrictions apply to the third party's access to the client's benefits. At the option of the client head of household or assistance unit, the county shall provide one electronic benefits transfer card to each adult member to enable them to access benefits.

(f) The system shall have a 24-hour-per-day toll-free telephone hotline for the reporting of lost or stolen cards and that will provide clients with information on how to have the card and personal identification number replaced.

(g) A client shall not incur any loss of electronic benefits after reporting his or her electronic benefits transfer card or personal identification number has been lost or stolen. The system shall provide for the prompt replacement of lost or stolen electronic benefits transfer cards and personal identification numbers. Electronic benefits for which the case was determined eligible and that were not withdrawn by transactions using an authorized personal identification number for the account shall also be promptly replaced.

(h) Electronic benefits transfer system consumers shall be informed on how to use electronic benefits transfer cards and how to protect them from misuse.

(i) Procedures shall be developed for error resolution.

(j) No fee shall be charged by the state, a county, or an electronic benefits processor certified by the state to retailers participating in the electronic benefits transfer system.

(k) Except for food stamp transactions, a client may be charged a fee, not to exceed the amount allowed by applicable state and federal law and customarily charged to other customers, for cash withdrawal transactions that exceed four per month.

(l) A county shall exempt an individual from the three-day

staggering requirement under subdivision (c) on a case-by-case basis for hardship. Hardship includes, but is not limited to, the incurrence of late charges on an individual's housing payments.

(m) No later than May 1, 2000, the department shall prepare and submit a report to the Senate Health and Human Services Committee and the Assembly Committee on Human Services. The report shall contain estimates of the number of counties that may opt to issue cash benefits provided under Chapter 2 (commencing with Section 11200) of Part 3 by electronics benefits transfer and the amount of interest payments that would accrue to the counties pursuant to the three-day staggering requirement of subdivision (c).

10073. Notwithstanding Section 15204.2, the state shall pay 100 percent of the nonfederal share of costs of the electronic benefits transfer system planning, procurement, development, implementation, and conversion. The county shall pay its normal nonfederal costs pursuant to Section 15204.2 for system maintenance and operation.

10075.5. The state shall be responsible for procuring and contracting for a statewide electronic benefits transfer system.

10075.6. The Health and Welfare Agency Data Center shall be the project manager of the electronic benefits transfer system, and shall be responsible for system planning, procurement, development, implementation, conversion, maintenance and operations, contract management, and all other activities that are consistent with a state-managed project and a statewide system.

10076. The director shall promptly seek any federal approvals necessary for implementation of this chapter. Any provision of this chapter whose implementation requires any federal waiver or approval shall become operative 120 days after receipt of the necessary federal waiver or approval, and shall remain operative only for the duration of the federal approval for its implementation.

10077. The State Department of Social Services may adopt regulations to implement this act in accordance with the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The initial adoption of any emergency regulations by the department to implement this chapter and one readoption of the initial regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. The initial emergency regulations and the first readoption of those regulations by the department shall be exempt from review by the Office of Administrative Law. The emergency

regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and publication in the California Code of Regulations.

Appendix B: Glossary of Key Terms

Glossary of Key Terms

Acceptance Testing – The process of testing all components and system functionality to determine if the system is ready for implementation. Acceptance testing includes: functional requirements testing, error condition destructive and stress testing, as well as regression testing to ensure testing deficiencies are resolved without creating new deficiencies.

Access Card – Generic term which refers to the physical card used to access a commercial or EBT card system. In the online EBT demonstrations, clients use magnetic stripe cards at POS terminals or ATMs to access the system. In the offline EBT demonstration, clients will use integrated circuit (IC) cards (also called “smart cards”) to access the system.

Account – A food stamp or cash EBT account

Account Management Agent (AMA) – The AMA system is operated by the Federal Reserve Board of Richmond, VA under an agreement with the Food and Nutrition Service to serve as the FNS fiscal agent over food stamp funds held in Treasury’s ASAP system. The EBT Contractor enters county benefit authorization data into AMA and AMA enters information into ASAP.

Acquirer – Entity that acquires financial data relating to a transaction from an EBT card. This can be the retailer or ATM owner where the client uses his/her EBT card to access goods and/or services, or the participating network or third-party processor.

Adjustment – A debit or credit transaction initiated by an acquirer, or on behalf of an acquirer, to correct a system error or to correct an out-of-balance condition identified in the settlement process.

Advice – Message that notifies a party of an action that has already been taken and that, as a result, requires no approval.

American National Standards Institute (ANSI) – U.S. standards group responsible for issuing U.S. standards and maintaining consistency with similar international standards.

Authorization – Affirmative response by the EBT system to a request to permit a card account to be used in a transaction. No posting to an account occurs for an authorization.

Authorized Representative (AR) – The person designated by a food stamp household to receive an EBT card and purchase food items on behalf of the client.

Automated Clearing House (ACH) – The U.S. Treasury Federal Reserve process where financial transactions are electronically processed for settlement.

Automated Response Unit (ARU) – Automated telephone system that accepts data from touch-tone telephones and responds with synthesized voice commands and information. Used in an EBT system to provide numerous functions such as balance information or to authorize manual transactions.

Automated Standard Application for Payments (ASAP) –The EBT Contractor initiates daily payment requests into the federal ASAP system to cover food stamp settlement. The ASAP system will release food stamp benefit funding to the Contractor's bank account as reimbursement for daily payments made to retailers and ATM owners.

Automated Teller Machine (ATM) – Terminal from which one or more EBT and/or banking transactions can be performed, including balance inquiries and cash withdrawals.

ATM Networks – Specialized bank-owned networks that allow the sharing of individual ATMs by the holders of cards issued by many different banks. EBT cards may be used at participating ATMs to access cash benefits.

Available Balance – The amount of funds that may be accessed by a cardholder for a transaction from a cash or food stamp account.

Balance Inquiry – A nonfinancial transaction that permits the cardholder to obtain the current balance of his or her EBT account or accounts.

Bank Identification Number (BIN) – Set of numbers, which appears in the primary account number and identifies one or more issuers for purposes of interchange.

Cardholder – An individual who has been issued and authorized to use a card. This is the client or his/her designee(s).

Case – A single beneficiary unit receiving benefits from one or more programs through a single client account.

Clearing Account – Account maintained by the Concentrator Bank for settlement purposes.

Concentrator Bank – The financial entity that provides specific financial services to the EBT Contractor in support of daily settlement. The Concentrator Bank provides Automated Clearing House (ACH) services to accept funds for food stamp transactions from the Federal Reserve and/or funds for cash transactions from the county's financial institution for settlement with individual retailer's/ATM owners accounts on a daily basis.

Data Encryption Standard (DES) – Standard for encrypting data to allow secure transmission of information between points.

Day of Draw Transaction – Benefit funding is not available from funding sources until the EBT Contractor initiates a draw request to pay retailers or ATM owners. The EBT Contractor does not initiate a draw until the day a cardholder completes a transaction and payment is due to a retailer or ATM owner.

Debit Transaction – Approval by the cardholder of the debit to his or her account. At the same time, it provides a claim of funds made by the acquirer (retailer or ATM owner) against the card issuer (the EBT Contractor).

Detailed System Design – A document that serves as the “blueprint” for programming, functional demonstration, and acceptance testing of the system and its components. It includes a detailed description of all system components, their interfaces, and the full range of functional specifications including: key entries, prompts, screen displays, edits, processing codes, error messages, and report outputs.

Electronic Benefit Transfer (EBT) – System that uses electronic funds transfer technology, automated teller machines, and point-of-sale devices for the delivery and control of public assistance benefits.

EBT Call Center – Toll-free help line provided by the EBT Contractor that allows clients to seek assistance and check account balances. Also, retailers may call a separate toll-free line for assistance and in the event of a system failure receive voice approvals for food purchase transactions.

EBT Card – The plastic card used by clients to access their account(s) in the EBT system. Clients use this magnetic stripe card at POS terminals or ATMs in conjunction with a PIN to access their account(s) on the EBT system. Clients who have both food stamp and cash benefits on the EBT system, will utilize the same card to access each benefit although separate transactions are required to access the account.

EBT Council – An emancipated group within the National Automated Clearing House Association (NACHA) consisting of EBT service providers, financial institutions, payment networks, merchants, government entities, and other stakeholders that have an interest in EBT. The purpose of the Council is to develop, maintain, and update EBT operating rules.

EBT Host – The EBT host computer is the central account management component of the EBT system. It is the computer system that is used for processing client transactions, maintaining transaction histories, performing account reconciliation and conducting settlement, and is the source for all EBT reporting.

Electronic Funds Transfer (EFT) – Any transfer of funds that is initiated through an electronic terminal, telephonic instrument, or computer or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account.

Electronic Funds Transfer System – System designed to facilitate the exchange of monetary value via electronic means. Objectives include expansion of time and location availability of basic financial services, and reduction of the present growth or paper volume (i.e., cash and checks).

Eligibility System Interface – The mechanism by which data is shared between the county eligibility systems and the EBT system.

Encryption – Security measure to prevent the cardholder's PIN to be shown in clear text as it travels on public communication lines.

Federal Reserve Bank – The central banking systems that regulate the supply of money. It includes twelve regional “bankers’ banks”, their branches, and all national and state banks that choose to be members.

Fine Line Printing – Microscopic print bordering the Quest[®] mark on the EBT card. The card manufacturer's alphanumeric identification is included as part of the fine line.

Firewall – A piece of computer software intended to prevent unauthorized access to system software or data.

Floor Limit – A predefined dollar limit that a retailer may authorize for a food stamp purchase in the event the EBT system, retailer's system or data communications are temporarily unavailable. Manual voucher procedures are used to document transactions.

FNS Authorized Retailer – Food retailer authorized by FNS to accept food stamp coupons or EBT benefit cards. Retailers that are authorized should display a Food Stamp Program Authorization Permit in a conspicuous place in their store.

FNS Authorization Number – Number given to each FNS-authorized location. This number is used to identify the specific retailer and location where an EBT transaction is executed.

Food and Nutrition Service (FNS) – A division of the US Department of Agriculture that administers nutrition assistance programs. The mission of FNS is to provide children and needy families better access to food and a more healthful diet through its food assistance programs and comprehensive nutrition education efforts.

Food Stamp Benefit Conversion – The conversion of electronic FSP benefit to food stamp coupons. Clients who leave an EBT project area may request to have their remaining EBT food stamp account balance converted to food coupons if moving to a nonEBT area.

Food Stamp Program – A food assistance program governed by FNS that helps low-income people buy the food they need for good health. The program is operated under the authority of the Food Stamp Act of 1964, as amended.

Functional Demonstration – The process of demonstrating user interface with system components and the full range of system functionality.

Functional Requirements – Major elements of benefits issuance and redemption that must be provided by the EBT system. These include: (1) authorization of receipt benefits, (2) benefit delivery to clients, (3) retailer and bank account settlement, (4) management of retailer participation, and (5) reconciliation and reporting.

Gateway – A gateway is a central hub that affords numerous ATM and POS networks and chain retailers a linkage with each other. The gateway establishes connectivity between these networks and the EBT host computer.

General System Design – A combination of narrative and diagrams describing specific system architecture, overall logic flows, and system functions. This includes a description of equipment needed, a description of other resource requirements necessary to operate the system, performance requirements, and a description of the environment in which the system will operate, including how the system will operate within the environment.

Hot Back-up Site – Fully redundant back-up system located in a separate geographic location from the primary system to ensure that it is not subject to the same man-made or natural disaster. In the event that a disaster of any kind occurs at the EBT host site, cutover to the back-up system will occur and will be transparent to retailers and clients. Synchronized client account databases will be maintained at both sites so that in the event of a failure cutover to the back-up site can be affected in a matter of minutes.

Industry Standards – Electronic Funds Transfer (EFT) operating rules that include American National Standards Institute (ANSI) and International Standards Organization (ISO).

In-lane payments – Payments made in the store lane by the customer. These payments are generally made in the form of cash, checks, food stamp coupons, WIC coupons or electronic means such as debit cards, credit cards or EBT.

Interchange – The exchange of authorization requests, transactions records, funds, or information between an acquirer and the EBT system through a network or other facility.

International Standards Institute (ISI) – Group responsible for coordinating international standards, including financial processing standards.

Interoperability – Enables cardholders to be able to use their EBT cards in other EBT project areas (e.g., San Bernardino or San Diego counties) or states.

Issuer – Entity that maintains the account relationship with the cardholder. A card issuer is the approver of a transaction – in the case of EBT the issuer is the EBT Contractor.

Issuer Identification Number (IIN) – A number assigned by the American Bankers Association that identifies an issuer for purposes of interchange of transactions.

Legacy System – Eligibility systems used in counties other than a SAWS system.

Maintenance and Operations Phase – The phase of an EBT system life cycle in which all counties have implemented the EBT system and all cases have been converted to the EBT system.

Magnetic Stripe – A stripe of magnetic tape that is affixed on the reverse side of the benefit card that meets all applicable industry standards. The magnetic stripe is encoded according to ISO standards and includes the PAN.

Manual Food Stamp Transaction – An off-line food stamp transaction usually accomplished through a paper (manual) voucher process.

Message – Set of data elements used to exchange information among institutions. No communications (header/trailer, protocol, or character code) or security specifications are assumed or identified.

NACHA – The National Automated Clearing House Association.

Net Position – Value representing the amount due to or from a financial institution for transactions exchanged and processed during the day.

NSF – (Nonsufficient Funds) Condition that indicates insufficient funds in the cardholder's account to allow the EBT system to approve a transaction.

Offline – An EBT system or transaction in which individual purchases are authorized without telecommunication between the POS device or ATM and a central database. These transactions are typically seen in systems that utilize a “smart” card where the account data resides on a computer chip that is embedded in the card.

Off-ramp – Ability for the state to legally terminate the EBT contract at key points in the development and implementation of the project if the Contractor fails to meet defined contractual requirements.

Online – An EBT system or transaction in which authorization of individual purchases requires telecommunication between the POS device or ATM and a central database in which data on account balances is maintained. These transactions are typically seen in systems that utilize a magnetic stripe card.

Personal Identification Number (PIN) – An alphanumeric code selected by or assigned to the client and used to control access to individual accounts. The PIN must be entered on a keypad before any transaction can be processed.

PIN Offset – An encrypted version of the PIN. Usually encoded on the magnetic stripe of the access card. Allows PIN verification to be conducted at the point of entry provided appropriate information is available.

Point-of-sale (POS) – Typically used to reference equipment (e.g., terminal, PIN pad and printer) deployed at a retail location and used to initiate the electronic debit of client accounts and credit to retailer accounts as a purchase is being made. This includes EBT transactions as well as other debit or credit transactions.

Presentment – Approval by issuer of authorization requests and settlement of that transaction.

Primary Account Number (PAN) – Number that identifies the issuer and the cardholder and that is fully displayed and encoded on the card.

Primary Program Designator – A designator assigned to cash programs that allows cash benefits to be drawn from an EBT account according to a predefined order if a client receives benefits from multiple cash programs. This predefined order represents the program hierarchy in which funds will be disbursed and drawn for settlement purposes.

Prime Contractor – The entity with which the state contracts for design, development, implementation, maintenance and operation of an EBT System. In the case of the California statewide EBT system, the Prime Contractor is Citicorp Electronic Financial Services, Inc.

Processing Time – The amount of time required to complete an EBT purchase. In an online system, processing time includes several components: (1) time required to transmit messages over the telecommunications network; (2) time messages spent in the system processing queue; and (3) time to actually process the message in the central computer.

Protective Payee – A person acting on behalf of a client to whom the CalWORKs payment is made in its entirety.

Quest® Operating Rules – A set of requirements developed by the EBT Council for the distribution of government benefits.

Receipt – In commercial networks, hard copy description of a transaction that took place at the POS, containing at a minimum the date, merchant name and location, primary account number, type of account accessed, amount, reference number, and an

action code. In EBT systems, the receipt must also include the balance remaining in the account after the current transaction has been processed.

Reconciliation – Refers to the process of ensuring all system transactions have been processed accurately and validated.

Re-presentation – The presentation during subsequent months for authorization of a manual food stamp transaction or store and forward transaction following the denial of such a transaction by the EBT system due to insufficient funds in household accounts. Re-presentation will not be allowed by the State, and shall not be part of the California EBT system.

Retrieval Request – Request by issuer or acquirer to provide proof that transaction has occurred.

Settlement – Process by which the EBT Contractor ensures reimbursement for client originated transactions that occurred at retailers and/or ATM networks for the prior processing period. The EBT Contractor reimburses retailers and/or ATM networks for the goods and services they have provided to the clients, and is then reimbursed by the responsible funding entity (the county for cash benefits, USDA for Food Stamp benefits).

Smart Card – Benefit card embedded with a computer chip that contains client demographic and account information. Transactions are authorized between the ATM or POS device and the chip in the card in an “offline” transaction rather than an “online” transaction where a database that stores account and demographic information is accessed.

Store and Forward – Function that occurs when the retailer POS terminal is unable to communicate with Contractor’s host system. The transaction is stored at the retailer terminal until the EBT host system is available. The transaction is then forwarded and processed.

Surcharge – A fee added to a transaction by an acquirer, terminal operator or merchant for a transaction initiated at a terminal.

System Certification – The point at which a system receives approval to move from the development to implementation phase.

Switch – A central transaction-processing component that accepts incoming financial transactions for California EBT along with EBT projects of many other states and for commercial payment systems as well. Based on the card number on the incoming transaction it routes transactions to the appropriate host system for approval and sends the response message back to the appropriate transaction acquirer. It is the central point for retailer and ATM owner financial settlement.

System Design Phase – The phase of an EBT system lifecycle in which functional specification and program requirements are identified and defined and compiled into a general system design.

System Development Phase – The phase of an EBT system lifecycle in which the system programming, functional demonstration and acceptance testing occur.

System Implementation Phase – The phase of an EBT system lifecycle in which the system was developed and tested and is ready for deployment. This phase includes conversion of client demographic and benefit data to the system, issuance of EBT cards and PINs to clients and the issuance of cash and/or food stamp benefits via the system.

System Operations Phase – The point in an EBT system lifecycle at which the system is fully operational (has achieved “rollout” status) in terms of system components and project service population.

Third-Party Processor – An entity, other than the one the State has specifically contracted with, that earns a fee for providing transaction-processing services for acquirers (retailers and ATM owners). Every online EBT transaction must be routed from its origin at a POS or ATM to the EBT host computer that holds the account. Third-Party Processors are “middle men” that provide this routing service within the existing commercial network.

Throughput – The amount of data transferred from one place to another or processed in a specified amount of time. Data transfer rates for disk drives and networks are measured in terms of throughput. Typically, throughputs are measured in kilobits, megabits or gigabits per second.

Trafficking – Food stamp trafficking is a violation of program regulations and normally involves two parties—a client and a storeowner. Trafficking generally takes place when a client collaborates with a storeowner and exchanges coupons or electronic benefits for cash. The storeowner gives the client a discounted cash payment for food stamp benefits and then redeems the benefits at full face value from the government.

Transaction Audit Trail – Detailed record of a transaction from initiation to settlement.

Transaction Processing Platform – The components of the EBT system provided by the EBT Contractor including all processing components that are required for the successful end-to-end acquiring, switching, processing and settlement of EBT transactions.

Appendix C: Acronyms

Acronyms

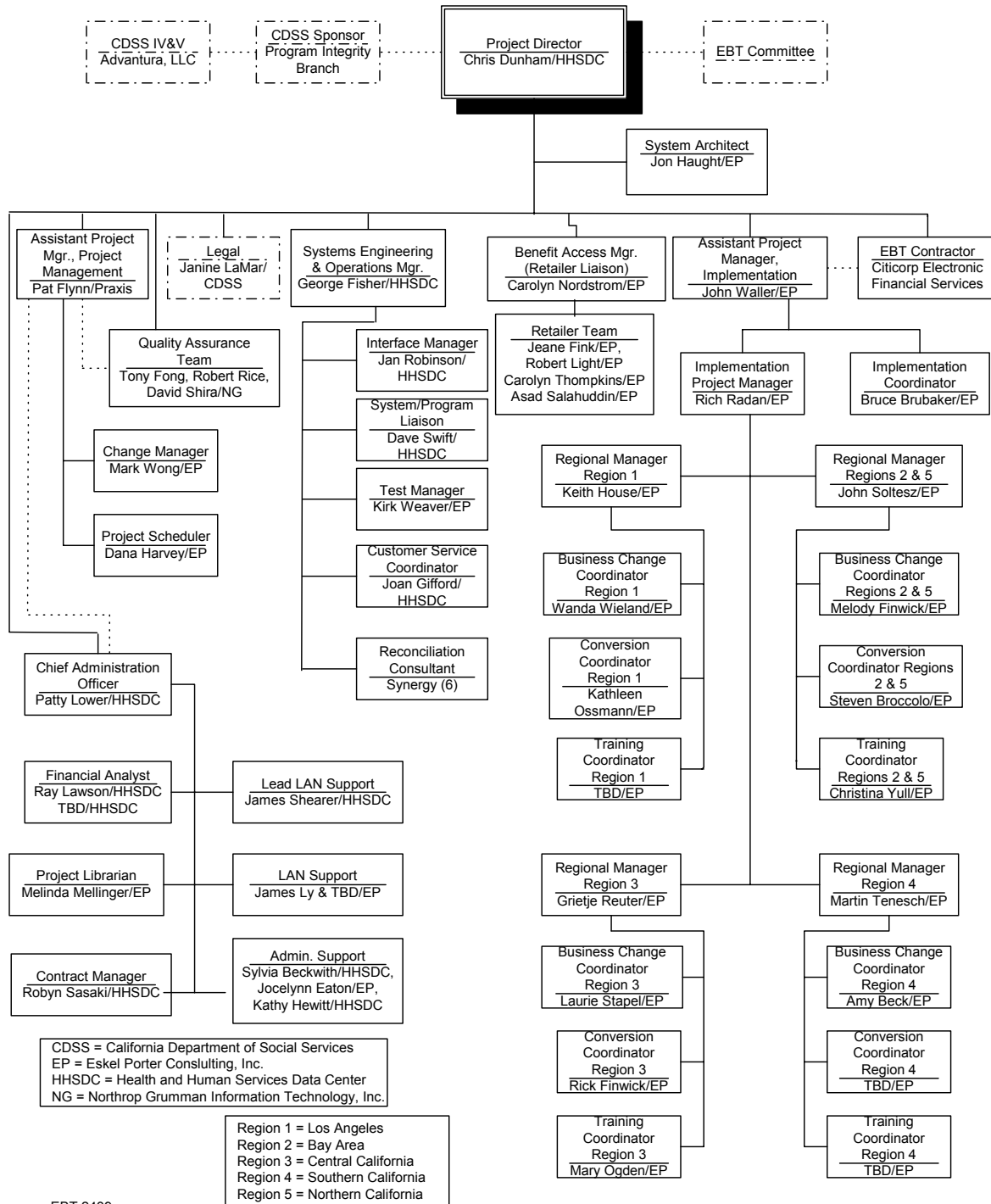
| Acronym | Definition |
|----------|--|
| AB | Assembly Bill |
| ACH | Automated Clearing House |
| ALERT | Anti-Fraud Locator using EBT Retailer Transactions |
| AMA | Account Management Agent |
| ANSI | American National Standards Institute |
| AR | Authorized Representative |
| ARU | Automated Response Unit |
| ASAP | Automated Standard Application for Payments |
| ATM | Automated Teller Machine |
| ATP | Authorization to Participate |
| BIN | Bank Identification Number |
| C-IV | Consortium IV |
| CalWIN | CalWORKs Information Network |
| CalWORKs | California Work Opportunity and Responsibility to Kids |
| CAP | Cash Assistance Program for Immigrants |
| CBO | Community-Based Organizations |
| CDSS | California Department of Social Services |
| CEFS | Citicorp Electronic Financial Services, Inc. |
| CFAP | California Food Assistance Program |
| CFL | County Fiscal Letter |
| CFR | Code of Federal Regulations |
| CGA | California Grocers Association |
| CHHS | California Health and Human Services Agency |
| CM | Change Management |
| CMP | Change Management Plan |
| CPCM | Cost Per Case Month |
| CPI | Consumer Price Index |
| CSC | Customer Service Center |
| CSR | Customer Service Representative |

| Acronym | Definition |
|----------------|--|
| CWD | County Welfare Department |
| CWDA | County Welfare Directors Association |
| DES | Data Encryption Standard |
| DFEH | Department of Fair Employment and Housing |
| EBT | Electronic Benefit Transfer |
| ECA | Entrant Cash Assistance |
| EDP | Electronic Data Processing |
| EFT | Electronic Funds Transfer |
| EFTA | Electronic Funds Transfer Act |
| FNS | Food and Nutrition Service |
| FSOLIS | Food Stamp On-Line Issuance System |
| FSP | Food Stamp Program |
| GA | General Assistance |
| GAIN | Greater Avenues for Independence |
| GR | General Relief |
| HHSDC | Health and Human Services Data Center |
| ID | Identification |
| IIN | Industry Identification Number |
| ISAWS | Interim Statewide Automated Welfare System |
| ISO | International Standards Organization |
| IT | Information Technology |
| ITP | Invitation to Partner |
| IV&V | Independent Verification and Validation |
| JAD | Joint Application Design |
| LEADER | Los Angeles Eligibility Automated Determination Evaluation and Reporting |
| LIHEAP | Low Income Home Energy Assistance Program |
| M&O | Maintenance and Operations |
| NACHA | National Automated Clearing House Association |
| NOA | Notice of Action |
| OTC | Over the Counter |

| Acronym | Definition |
|----------------|---|
| PAN | Primary Account Number |
| PC | Personal Computer |
| PIN | Personal Identification Number |
| POS | Point of sale |
| PRWORA | Personal Responsibility and Work Opportunity Reconciliation Act of 1996 |
| RCA | Refugee Cash Assistance |
| REDE | Retailer Data Exchange |
| SAWS | Statewide Automated Welfare System |
| SSI | Supplemental Security Income |
| SSP | State Supplementary Payment |
| STARS | Store Tracking and Redemption Systems |
| TANF | Temporary Assistance for Needy Families |
| TPP | Third-Party Processors |
| USDA | United States Department of Agriculture |
| WCDS | Welfare Case Data System |
| WIC | Women, Infants and Children |
| WTW | Welfare to Work |

Appendix D: EBT Project Organizational Chart

EBT Project Organizational Chart



EBT 2439
Last Updated: 03/20/02

Appendix E: EBT Contractor Organizational Chart

